

Hobart H. Budlong Joseph A. Corvi  
 Raymond E. Streeter George W. Kreisheimer  
 John C. Smith Edward W. Mooney  
 Frank A. Bartuck Talmadge R. Liles  
 Robert E. Trometter Rupert L. Fogle  
 Andrew L. Heaton Anthony W. Livingston  
 Robert E. Ouellette Medford D. Good  
 Thomas R. Van Fleet William Dickison  
 Alex H. Touchton Walter L. Czechowski  
 Raymon A. Clark Kenneth E. Williams  
 Ray N. Herrell Willard J. Reid  
 Costanzo Cellucci Walter Pietrzak  
 Jesse C. Quattlebaum Jerome Ross  
 Jr. Louis L. Noe  
 Reble A. Windsor Harold J. Michael  
 Joseph H. Malone Fred S. Huneycutt  
 William C. Koch, Jr. Willard C. Downs  
 Donald M. Stone Matthew A. Propotnik  
 Cecil H. Santrock Obie E. Newcomb, Jr.  
 Wilfred D. Holdren Oval L. Ewing, Jr.  
 Stanley A. Lahendro

## SENATE

TUESDAY, APRIL 11, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, hope of the souls that seek Thee, strength of the souls that find Thee, grant unto these chosen servants of the Commonwealth, pushed and pressed by grave questions and vexing problems, the refreshment and renewal which shall make them adequate to serve the present age. Make them conscious of eternal verities that outlast the strident noises of any day.

We cannot adequately face such a world so full of violent and dark deeds and make our humble contribution to the healing of its tangled, tragic state unless we keep untarnished our faith in Thy power to make even the wrath of men praise Thee, and in Thy ultimate purpose for mankind. Give to us peace in our time, O God. To our stricken generation may there come peace with honor, with human dignity vindicated and social justice the panoply of all the nations. In the Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of Monday, April 10, 1950, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

### LEAVE OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. LONG was excused from attendance on the sessions of the Senate today and the remainder of the week.

On his own request, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate from the close of business today until April 22.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gurney	McKellar
Benton	Hayden	McMahon
Brewster	Hendrickson	Magnuson
Bricker	Hickenlooper	Malone
Bridges	Hill	Maybank
Butler	Hoey	Morse
Byrd	Holland	Neely
Cain	Ives	O'Connor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Kefauver	Saltonstall
Cordon	Kerr	Schoeppel
Darby	Kilgore	Stennis
Donnell	Knowland	Taft
Douglas	Langer	Thomas, Okla.
Dworshak	Leahy	Thomas, Utah
Ecton	Lehman	Tobey
Ferguson	Lodge	Tydings
Fear	Lucas	Watkins
Fulbright	McCarran	Wherry
George	McCarthy	Wiley
Gillette	McClellan	Williams
Graham	McFarland	Withers
Green		

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Louisiana [Mr. LONG] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Idaho [Mr. TAYLOR] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Colorado [Mr. MILLIKIN], the Senator from New Jersey [Mr. SMITH], the Senator from Minnesota [Mr. THYE], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Maine [Mrs. SMITH] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

### TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, without debate and without speeches.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

### PROPOSED LOAN OF BELL BY NAVY DEPARTMENT TO CITY OF SAN FRANCISCO, CALIF.

The PRESIDENT pro tempore laid before the Senate a letter from the Acting

Secretary of the Navy, reporting, pursuant to law, that the city of San Francisco had requested the loan of the bell of the U. S. S. *San Francisco* pending the activation of that ship, at present in the Philadelphia group, Atlantic Reserve Fleet, which was referred to the Committee on Armed Services.

### MEMORIALS

Memorials were presented and referred as indicated:

#### By Mr. TYDINGS:

The memorial of Earle T. Hawkins, and sundry other members of the faculty of the State Teachers College, of Towson, Md., remonstrating against the enactment of section 106 of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; to the Committee on Finance.

Resolutions adopted by the Rotary Club of Federalburg, the Talbot County Women's Club, the Baltimore County Medical Association, the Lutheran Club of Baltimore, the Sons of the Revolution in the State of Maryland, and the Nurses Alumni Association of University Hospital, of Baltimore, all in the State of Maryland, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

### PROHIBITION OF LIQUOR ADVERTISING—PETITION

Mr. JENNER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a petition signed by Darion T. Woods and 35 other citizens of Gibson County, Ind., praying for the enactment of Senate bill 1847, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

THE OWENSVILLE METHODIST CHURCH,  
 Owensville, Ind., January 13, 1950.

To Hon. WILLIAM E. JENNER,

Senator from Indiana:

We, the undersigned, legal voters of Gibson County, Ind., respectfully urge you to support Senate bill 1847, known as the Langer bill, to prohibit the transportation in interstate commerce of alcoholic-beverage advertising and to stop its broadcasting over the air. We feel that you can render no more important service to your country and to your constituents.

We further request that this petition be inserted in the CONGRESSIONAL RECORD.

### MARITIME COMMISSION DELINQUENT ACCOUNTS—INTERIM REPORT OF COMMITTEE ON EXPENDITURES IN EXECUTIVE DEPARTMENTS (S. DOC. NO. 153)

Mr. HOEY. Mr. President, from the Committee on Expenditures in the Executive Departments, I submit, pursuant to Senate Resolution 52, Eighty-first Congress, an interim report, which represents the hearings by the subcommittee on investigations in connection with the Maritime Commission delinquent accounts.

I shall not summarize the report, but ask unanimous consent that it be printed as a Senate document, and also that it be printed in the body of the RECORD.

I believe Senators will find it informative and worthy of perusal.

The PRESIDENT pro tempore. The report will be received, and, without objection, printed as a Senate document and printed in the RECORD, as requested by the Senator from North Carolina. The Chair hears no objection.

The report is as follows:

#### INTRODUCTION

During the war years the United States Maritime Commission and the War Shipping Administration were charged with the job of constructing, equipping, and administering the operation of vessels for the coastal and foreign shipment of urgently needed supplies. These agencies had almost exclusive control over our entire maritime-shipping program. In carrying out this responsibility on a global scale these agencies expended several billions of dollars in what was primarily a business operation as distinguished from the ordinary administrative function of the Government. It is true that in the wartime operation of our merchant marine, performance was paramount and cost secondary. The subcommittee is fully cognizant of the fact that it was the primary object of these agencies to have sufficient vessels to get supplies where they were needed, when they were needed. Notwithstanding this primary objective and the exigencies of warfare, it was not expected that in fulfilling this task there would be disregard of ordinary business procedures in the handling of public funds.

The subcommittee realizes that under the pressure of war there may have been adequate reasons for either the Maritime Commission or the War Shipping Administration to have become delinquent in the handling of fiscal affairs in connection with the construction and operation of our merchant fleet. However, upon the termination of hostilities, it was the responsibility of these agencies to correct such delinquencies promptly. Any other course of action was bound to have resulted in unnecessary financial loss to the Government.

While conducting an investigation into other matters concerning the Maritime Commission the subcommittee learned that the Commission had an unprocessed backlog of thousands of accounting documents which included accounts receivable amounting to more than \$25,000,000. These accounts represented moneys due the Commission from private firms and other Government agencies for wartime services or supplies furnished by the Maritime Commission and the War Shipping Administration.

As soon as the existence of this backlog was discovered the subcommittee initiated an inquiry into the matter. The subcommittee, in undertaking this investigation, was primarily interested in the immediate collection of these delinquent accounts and the prevention of similar occurrences in the future. Public hearings in this case were held by the subcommittee in March 1949 and since that time the subcommittee has been following the progress and efforts of the Maritime Commission to bring the delinquent accounts up to date. Very recently the Commission completed the major part of this task and submitted its report to the subcommittee.

#### ORIGIN OF THE DELINQUENT ACCOUNTS

During the war period the Maritime Commission and the War Shipping Administration furnished supplies and services to assist private firms, other Government departments, and foreign allied nations in connection with the war shipping program. In carrying out these various activities it was contemplated that the Maritime Commission and the War Shipping Administration would, in the ordinary course of business, seek reimbursement from their various

debtors both public and private. This was done by setting up accounts receivable in the Maritime Commission and the War Shipping Administration. In many instances invoices were made up and bills were sent out to the various debtors both during and after the war. However, during the war the accounting responsibilities of the Maritime Commission and the War Shipping Administration grew so rapidly that these agencies were not able to keep the work on a current basis. As a result of this situation, the accounting backlog began to build up as early as 1942. It appears that the backlog of unprocessed accounts receivable was gradual and cumulative, beginning in 1942, and continuing until July 1947, when work on this unprocessed backlog was suspended.

On September 1, 1946, the functions of the War Shipping Administration, including the accounts receivable of that agency, were transferred to the Maritime Commission. From that date the Maritime Commission became solely responsible for the collection of the delinquent accounts receivable of both agencies. At the end of June 1947, because of reduction of personnel, the Maritime Commission decided to discontinue its efforts to collect these old and unprocessed accounts receivable which were pending as of July 1947. It was determined at that time by officials of the Commission that the efforts of the Commission would be devoted to the collection of accounts receivable which had been processed and to the collection of current accounts.

#### DISCOVERY OF DELINQUENT ACCOUNTS

Mr. T. H. Reavis, former Chief of the Bureau of Accounts at the Maritime Commission, who appeared before the subcommittee in connection with another inquiry involving the Commission, stated that there was a backlog of the accounts receivable at the Commission amounting to some twenty-five to fifty million dollars. This was the first knowledge that the subcommittee had of this large backlog. At that time Mr. Reavis informed the subcommittee that these accounts receivable had been filed away in 1947 and no work had been done on them since then.

The subcommittee promptly initiated an investigation of this delinquent backlog. It was found that these accounts fell into three main categories, namely, (1) amounts due from private firms or individuals; (2) amounts due from other United States Government agencies, and (3) amounts due from foreign governments. The accounts involving private debtors included moneys due for such items as bunker oil, cleaning compounds, the equipping and repair of ships, freight charges, and so forth. Other Government agency accounts included amounts due for various maritime equipment and services furnished by either the Maritime Commission or the War Shipping Administration for which these other agencies were primarily responsible. The foreign government accounts included amounts due on such items as ship repairs and the carriage of foreign mail.

The subcommittee was astonished to learn that some of these uncollected accounts dated back to 1942. It was obvious that the longer these accounts remained delinquent the less chance there was of collecting the full amounts due and owing the Government. While some of these accounts involved old and established firms from which collection would not be difficult, it is quite possible that others represented accounts receivable from the type of temporary war firms which would make collection difficult, if not impossible, after the lapse of several years time.

#### DESTRUCTION OF RECORDS

There was testimony before the subcommittee that an undetermined number of these accounts-receivable records were destroyed or otherwise lost by disgruntled or

careless employees of the Maritime Commission in the summer and fall of 1946, when there had been large reductions in the accounting and auditing force of the Commission. It was alleged that as a result of these reductions in force the morale and efficiency of the employees involved was at a very low ebb. At that time it was reported to Kenneth E. Harris, an accounting supervisor in the Commission, as well as to others, that some of these employees who were about to be terminated were throwing away or otherwise destroying or mishandling official records of the Commission. On one occasion, in September 1946, Mr. Harris received a specific complaint that certain employees were throwing official documents in wastebaskets because these employees resented being laid off from their jobs. On that occasion Mr. Harris personally found a small number of official documents which had been thrown in a wastebasket and other employees reported similar unauthorized disposal of records.

A year later on July 1, 1947, there was a further sudden reduction in the auditing force at the Maritime Commission. At that time official records, including records of accounts receivable, were reported to have been left in office desks by terminated employees. In the confusion resulting from these personnel cut-backs, desks with official records in the drawers were allegedly moved out of the Commission and turned over for disposal as surplus property.

Notwithstanding the reports of this gross mishandling of records, no steps were taken by the Maritime Commission at that time to ascertain the extent of the losses or to initiate an inquiry for the purpose of determining the persons responsible for this matter. Subsequent to the subcommittee's public hearings and following the disclosure of the loss of official documents the Maritime Commission initiated a complete investigation of the matter. The Commission investigation failed to disclose any confirmation of this destruction other than the facts already presented to this subcommittee. The extent of the destruction of these records and the persons responsible for this destruction were not ascertainable. However, officials of the Maritime Commission have informed the subcommittee that Commission auditors have been able to replace the missing records by careful cross checking and by obtaining duplicate records from other sources.

#### REASON FOR THE ACCOUNTING BACKLOG

In order that prompt action could be taken to collect the amounts due and owing the Maritime Commission on these delinquent receivables and for the purpose of preventing similar occurrences in the future the subcommittee attempted to determine, if possible, the reason why these accounts were allowed to remain delinquent over such a long period of time. It is apparent that no well-managed Government agency or private business firm would fail to bill and invoice promptly accounts receivable amounting to millions of dollars. The prompt and effective handling of accounts receivable is one of the most elemental functions of any business, large or small. It is unlikely that a reasonably prudent businessman would allow his accounts receivable, which represent moneys due and owing to him, to become badly delinquent. However, if such a situation should inadvertently arise, it is inconceivable that a businessman with any semblance of good business judgment would stop all work on his delinquent accounts.

The existence of this tremendous backlog of delinquent accounts was well known to responsible officials of the Maritime Commission over a long period of time. For over 2 years prior to the subcommittee's public hearings in this case, the Comptroller General, the Budget Bureau, and the House Appropriations Committee had been critical of



the deplorable condition of the accounting systems at the Maritime Commission. The Comptroller General, in his report on the auditing of the Maritime Commission for the fiscal years 1946 and 1947 stated:

"The survey disclosed that the books and records were in a more deplorable condition than that which prevailed in the prior years' audit, when little if any reliance could be placed on the internal records due to laxity in accounting methods and inaccuracies in accounting results."

Vice Adm. William W. Smith, who was Chairman of the Commission at the time of this subcommittee's public hearings, stated in his testimony before the subcommittee that the lack of funds and the resulting cut-back of personnel since the end of the war was the reason why the accounts receivable were allowed to remain delinquent. The position of Admiral Smith is clearly set forth in the following public testimony before the subcommittee:

"Senator MCCARTHY. Admiral, do I get from this statement that you feel all of your difficulties are caused because of lack of funds, that if we appropriated more money you could get along all right?"

"In other words if we gave you enough additional funds you would get along all right?"

"Admiral SMITH. I do."

Other officials of the Maritime Commission were also of the opinion that this backlog of accounts receivable was a direct result of the shortage of personnel in the agency. The subcommittee is fully aware that there have been large personnel cut-backs in the Maritime Commission since the end of the war.

In 1947 and 1948 Mr. Edward A. Kracke, an eminent certified public accountant, made a survey of auditing procedures at the Maritime Commission in his capacity as a consultant for the House Appropriations Subcommittee. At that time he found that there was no work being done on the accounts receivable backlog because of an alleged shortage of auditing personnel in the Commission. However, it was his opinion based on his survey that the Commission was using considerable manpower in conducting entirely unnecessary audits. Mr. Kracke concluded that auditing personnel of the Commission could readily be relieved from the unnecessary auditing jobs they were then engaged in and could be put to work on the necessary and important task of clearing up the accounts receivable backlog.

#### RESULTS OF SUBCOMMITTEE'S INVESTIGATION

After the subcommittee investigation in this case had been in progress for several weeks and following the public hearings, the Maritime Commission organized the Accounting Backlog Branch on March 25, 1949. It was the function of this new branch to process all the delinquent accounts receivable as soon as possible. About 40 regular employees of the Division of Accounts in the Maritime Commission were temporarily transferred to the new branch for this special task. This action on the part of the Maritime Commission, which should and could have been done long before, was the first constructive action taken with regard to the delinquent accounts since the records were filed away in July 1947. At the time the Accounting Backlog Branch was organized, it was estimated that it would require about 10 months to process the delinquent accounts.

The subcommittee followed the work of this Branch and was kept informed of the progress of the backlog project by obtaining periodic reports from the Maritime Commission. On December 10, 1949, after a large part of the work on the backlog had been

completed the Accounting Backlog Branch was disbanded. The backlog remaining to be disposed of was then integrated with the regular work of the Division of Accounts. On February 24, 1950, the subcommittee was furnished with a complete report of the results of the work of the Accounting Backlog Branch. This report<sup>1</sup> indicates that the size of the delinquent accounts receivable was larger than originally anticipated. The report shows that the backlog was finally estimated at \$39,198,850.47. In addition the report shows the following:

Total amount billed..... \$27,072,749.18  
Balance to be processed..... 12,126,101.29

Of the total amount billed by the Accounting Backlog Branch, the Maritime Commission has already collected \$6,380,497.48. In addition waiver agreements involving these delinquent accounts in the amount of \$10,010,981.99, were entered into between the Maritime Commission and other Government departments.

As a direct result of this subcommittee's investigation the Maritime Commission has now effected collections of over \$6,250,000. This was done without the appropriation of additional funds to the Maritime Commission. Furthermore, when we consider the fact that these delinquent bills were sent out at this time instead of at some future time when collection would still be more difficult it is quite obvious that the inquiry by the subcommittee has resulted in a substantial saving of public funds.

#### FINDINGS AND CONCLUSIONS

1. The accounts receivable of the War Shipping Administration and Maritime Commission, which represented amounts due from public and private debtors, began to become delinquent, along with other accounting work in those agencies, as early as 1942. In September 1946 the functions of the War Shipping Administration were transferred to the Maritime Commission and that agency then became responsible for the accounts receivable of both agencies. In July 1947 when the delinquent accounts amounted to over \$39,000,000, all work was

<sup>1</sup> This report is set forth in full as exhibit I.

#### EXHIBIT I

FEBRUARY 24, 1950.

#### U. S. MARITIME COMMISSION PROGRESS REPORT—ACCOUNTING BACKLOG BRANCH

Accounts receivable review, covering period from Mar. 25, 1949, to Jan. 31, 1950

Estimated receivables due U. S. Maritime Commission:		
Miscellaneous debtors.....	\$21,618,272.30	
Other Government agencies.....	17,580,578.17	
Total (see schedule I).....		\$39,198,850.47
Amounts invoiced through Jan. 31, 1950:		
Miscellaneous debtors.....	9,872,819.56	
Collections effected.....	\$396,407.53	
Other Government agencies.....	7,188,947.63	
Collections effected.....	1,663,535.39	
Total.....	\$2,059,942.92	
Waiver agreements <sup>1</sup> .....	10,010,981.99	
Invoices recorded on current accounts receivable affecting backlog program:		
Miscellaneous debtors.....	15,618.25	
RFC settlement.....	4,304,936.31	
Total.....	4,320,554.56	
Total collections effected.....	6,380,497.48	
Total amount billed.....		27,072,749.18
Estimated amount remaining to be invoiced and/or accounting adjustments:		
Miscellaneous debtors.....	11,745,452.74	
Other Government agencies.....	380,648.55	
Total (see schedule II).....		12,126,101.29
Number of persons employed at end of period: 2 detailed.		
Number of documents screened: 479,221.		

<sup>1</sup> Waiver agreement withholdings in accordance with the Comptroller General's decision of June 7, 1949 (B-86714). (See schedule III.)

Prepared by Property and Cost Accounts Branch, Division of Accounts, Bureau of Finance, Feb. 16, 1950.

## SCHEDULE I

## Estimated receivables due U. S. Maritime Commission

(1) Miscellaneous debtors.....\$2,430,573.49

The accounts with the miscellaneous debtors have all been billed with the possible exception of a few items which may require correspondence and may, or may not, result in a receivable.

(2) Lend-lease, British vessels (repairs)....3,937,245.33

All bills in connection with lend-lease British repairs have been processed with the possible exception of adjustments. Incidentally, we are holding some bills in a *pro forma* status which were considered border-line cases involving insurance items which were covered by sample billing to determine the reaction of the British Ministry of Transport.

(3) American Bureau of Shipping fees.....1,000,590.33

Bills in connection with American Bureau of Shipping fees have been completed. There remains, however, the correspondence in connection with these items, as well as the preparation of statements for presentation to the Bureau of Law and/or the Division of Claims for disputed items for final settlement, and also the necessary adjustments to the billings, which has been carried over into the current Accounts Receivable Branch.

(4) Coast Guard subchapter O items.....250,000.00

This program will require considerable investigation and analysis before bills can be issued to the purchasers of vessels covering the installation of life-saving equipment under the provisions of subchapter O, Coast Guard Requirements. The second disputes addenda provided for the settlement of these items based upon an estimated amount of \$3,000 per vessel to cover this equipment. Prior to the inception of the Accounting Backlog Branch, a number of purchasers were billed at the afore-mentioned figure, but very few, if any, of these accounts were paid. Under the date of Nov. 14, 1949, we submitted to the Bureau of Engineering a statement of vessels sold, requesting information as to whether or not life-saving equipment required by subchapter O was placed on board the vessels by the Commission prior to the delivery to the purchasers. The Bureau of Engineering, on Nov. 22, 1949, replied to our memorandum, forwarding certain information with reference to this matter, and it will be necessary that this information be followed up to a conclusion; and this program has been transferred to current operations.

(5) S. S. *Maunauili* case (Matson Navigation Co.).....600,000.00

Invoice and supporting statement have been prepared in connection with the S. S. *Maunauili* case in the amount of \$407,593.23. This invoice has been submitted to the Division of Claims, which is now engaged in handling the settlement direct with the Matson Navigation Co. It will be noted that the amount of this invoice does not entirely clear the estimate of \$800,000 set up to cover this transaction, and it is felt that this balance should be carried as an indication of a pending settlement, and adjustment will be made at that time to record the final settlement figure. No further work is necessary in connection with this particular transaction, with the possible exception of preparing final statement when the settlement has been completed.

(6) Post Office, foreign mail.....11,000,000.00

This program will be transferred to the current operations and the work will consist primarily of following up our general agents for the submission of voyage mail reports, known as Form 4522, to cover voyage mail revenue. These reports, when received, will be noted on our records and resubmitted to the Post Office Department for collection from the foreign governments involved. To date, the Post Office Department has reported the following mail revenue statements rendered to the foreign countries involved in the stated amounts:

Dominican Republic.....	\$40.51
Ireland.....	17,504.97
Kenya Colony.....	329.30
The Netherlands (including Netherlands West Indies).....	1,143.68
Tahiti.....	891.08
Trinidad.....	221.88
Egypt.....	9,610.26

29,741.68

No cash transfers have been made to the Maritime Commission by the Post Office Department as of Jan. 31, 1950.

(7) Italian Government, sale of 4 tankers.....\$250,000.00

The Italian technical delegation, acting under the authority of the Italian Government, arranged for the sale of 4 tankers and, accordingly, deposited with the Maritime Commission the sum of \$234,022 to cover repairs chargeable to them under the provisions of the sales contract. A statement of repairs was prepared and submitted to the Division of Maintenance and Repair for review, and likewise a copy of this statement was furnished the representatives of the Italian technical delegation. In discussing this matter with the representatives of this delegation, they agreed that approximately \$200,000 of the items shown in this statement were acceptable to them and suggested that we hold in reserve the \$34,022 to cover disputed items. Accordingly, a bill was prepared in the amount of \$250,000 to record this transaction on the books and a credit memorandum in the amount of \$200,000 was prepared to provide for the transfer of cash from "Special Deposits." This left an open balance in our "Backlog Accounts Receivable" account of \$50,000 for the purposes of identification. It has now been decided by the Chief of the current Accounts Receivable Branch to cancel these entries and to await the final settlement, and this has been done. However, for the purposes of reporting and backlog operations, we are still continuing to show the amount of \$250,000 as billed against the Italian Government with an offsetting credit of \$200,000 covering the transfer of cash, as cash has already been received in the amount of \$234,022 as previously referred to. This was done as means of identification so that the item in question will not be lost sight of and will be adjusted when final settlement is made in accordance with the details of that settlement. This project has been transferred to current operations.

(8) Repairs, tankers.....300,000.00

The Maintenance and Repair Division has been furnished with statements

covering the cost of repairs chargeable to the purchasers of the tankers under the sales agreement. We have been informed that several of the sales are now in the process of negotiation and final settlement should be made shortly. This program in its entirety will be transferred to current operations.

(9) London transferable account.....\$20,087.84

All billings in connection with this program have been issued and other than correspondence in connection with this program, no further activity is required.

(9-a) S. S. *Saturnia*.....1,829,775.31

A statement has been prepared, covering the repairs made to the S. S. *Saturnia*, which was surrendered to the United Nations under the terms of the Cunningham agreement and allocated by the United Nations to the United States under the control of the War Shipping Administrator, who, in turn, allocated this vessel to the American Export Lines under time charter agreement. Accordingly, a letter has been prepared by the Office of the Chief of the Interdepartmental Liaison for the signature of the vice chairman, addressed to the Secretary of State, submitted this statement and outlining pertinent details with reference to this case. We have prepared formal billing in this case in order that this account be recorded on the books of the Maritime Commission in the amount of \$1,829,775.31, and this amount will be taken into consideration by the Department of State when settlement is made with the Italian Government.

(10) Other Government agencies.....21,618,272.30

The work in connection with billings to other Government agencies has been completed with the exception of our recording some isolated items in connection with the waiver agreements that may be developed as a result of correspondence now pending. Therefore, there is no activity to be transferred to current operations.

17,580,578.17

Reconciliation of estimated and actual receivables reported for Dec. 16, 1949, with the Jan. 31, 1950, progress report

	Details	Miscellaneous debtors	Other Government agencies
<b>Progress report for Dec. 16, 1949:</b>			
Miscellaneous debtors.....	\$18,920,500.00	\$18,920,500.00	
Other Government agencies.....	19,300,000.00		\$19,300,000.00
	38,220,500.00		
<b>December 1949 and January 1950 adjustments:</b>			
<b>Item 1. Miscellaneous debtors:</b>			
Reported Dec. 16, 1949.....	2,500,000.00		
Actual Jan. 31, 1950.....	2,430,573.49		
Decrease.....		69,426.51	
<b>Item 2. Lend-lease:</b>			
Actual Jan. 31, 1950.....	3,937,245.33		
Reported Dec. 16, 1949.....	3,800,000.00		
Increase.....		137,245.33	
<b>Item 3. American Bureau of Shipping:</b>			
Actual Jan. 31, 1950.....	1,000,590.33		
Reported Dec. 16, 1949.....	200,000.00		
Increase.....		800,590.33	
<b>Item 9. London transferable account:</b>			
Reported Dec. 16, 1949.....	20,500.00		
Actual Jan. 31, 1950.....	20,087.84		
Decrease.....		412.16	
<b>Item 9-a. The Italian Government S. S. <i>Saturnia</i>:</b>			
Reported Dec. 16, 1949.....	0		
Actual Jan. 31, 1950.....	1,829,775.31		
Increase.....		1,829,775.31	
<b>Item 10. Other Government agencies:</b>			
Reported Dec. 16, 1949.....	19,300,000.00		
Estimated and actual, Jan. 31, 1950.....	17,580,578.17		
Decrease.....			1,719,421.83
		21,618,272.30	17,580,578.17

## RECAPITULATION

Miscellaneous debtors.....	\$21,618,272.30
Other Government agencies.....	17,580,578.17
	39,198,850.47



## SCHEDULE II

## Details of amounts remaining to be invoiced

	Balance as at Dec. 31, 1949	January 1950 Invoices	Balance Jan. 31, 1950
Item 2. Lend-lease, British vessels, repairs.....	\$70,000.00	\$66,954.03	\$3,045.97
Item 4. Coast Guard, subchapter O items.....	250,000.00		250,000.00
Item 5. S. S. <i>Maunawili</i> case, Matson Navigation Co.....	192,406.77		192,406.77
Item 6. Post Office, foreign-mail revenue.....	11,000,000.00		11,000,000.00
Item 8. Repairs, tankers.....	800,000.00		800,000.00
Total, miscellaneous.....			11,745,452.74
Item 10. Other Government agencies.....			380,648.55
Total.....			12,126,101.29

Prepared by Property and Cost Accounts Branch. Division of Accounts, Bureau of Finance, Feb. 20, 1950.

**SCHEDULE III.—Balance of unbilled accounts receivable with other Government agencies which have been analyzed, coming within the waiver arrangements, approved by the Comptroller General in his decision of June 7, 1949 (B-86714)**

	Amount
Department of Agriculture <sup>1</sup> .....	\$7,904.02
Department of the Army <sup>1</sup> .....	1,162,140.99
Department of Commerce.....	247.01
Department of the Interior.....	306.93
Department of the Navy <sup>1</sup> .....	8,597,790.06
Department of State.....	1,337.44
Federal Public Housing.....	4,160.40
Federal Security Agency.....	28.69
Federal Trade Commission.....	763.06
Federal Works Agency.....	162.40
Interstate Commerce Commission.....	33.30
Marine Corps.....	122,926.61
Office of Scientific Research and Development.....	7,302.20
Panama Canal.....	939.42
Department of the Treasury, Custom Surveyor.....	16,464.03
Department of the Treasury—U. S. Coast Guard <sup>1</sup> .....	68,278.38
Veterans' Administration.....	695.68
Veterans' Housing Office of the Administration Project Engineer.....	2,130.54
War Assets Administration.....	12,311.89
War Production Board.....	5,040.69
War Production Board.....	18.25
Total.....	10,010,981.99

<sup>1</sup> Waiver agreements executed.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 11, 1950, he presented to the President of the United States the following enrolled bills:

S. 44. An act for the relief of Arthur O. Fisher;

S. 46. An act for the relief of Primitivo Urcelay-Ruiz; and

S. 1305. An act for the relief of Theodore Constantin Trancu and his wife.

## BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 3390. A bill to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official registers for their respective services;

S. 3391. A bill to authorize the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to reproduce and to sell copies of official records of their respective departments; and

S. 3392. A bill to amend the act of August 1, 1947, providing appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States

in World War II, and for other purposes; to the Committee on Armed Services.

By Mr. IVES (for himself and Mr. LEHMAN):

S. 3393. A bill to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes; to the Committee on Armed Services.

(Mr. DOUGLAS introduced Senate bill 3394, to provide for granting to postal and other employees of the Government annual leave at the rate of 20 days per year and sick leave at the rate of 12 days per year, which was referred to the Committee on Post Office and Civil Service and appears under a separate heading.)

(Mr. DOUGLAS also introduced Senate bill 3395, to provide for granting to postal and other employees of the Government annual leave at a rate based upon the length of service of such employees and sick leave at the rate of 12 days per year, which was referred to the Committee on Post Office and Civil Service and appears under a separate heading.)

By Mr. CHAPMAN:

S. 3396. A bill authorizing the Secretary of the Army to convey to the State of Kentucky title to certain lands situated in Hardin and Jefferson Counties, Ky.; to the Committee on Armed Services.

By Mr. MORSE:

S. 3397. A bill for the relief of Shigeko Sudo and her son, Daniel Keller; to the Committee on the Judiciary.

## ANNUAL AND SICK LEAVE OF CERTAIN FEDERAL EMPLOYEES

Mr. DOUGLAS. Mr. President, I introduce for appropriate reference two bills to reduce and equalize annual and sick leave of certain Federal employees, and I ask unanimous consent that an explanatory statement of the bills prepared by me be printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Illinois will be printed in the RECORD. The Chair hears no objection.

The bills introduced by Mr. DOUGLAS were each read twice by their titles and referred to the Committee on Post Office and Civil Service, as follows:

S. 3394. A bill to provide for granting to postal and other employees of the Government annual leave at the rate of 20 days per year and sick leave at the rate of 12 days per year; and

S. 3395. A bill to provide for granting to postal and other employees of the Government annual leave at a rate based upon the length of service of such employees and sick leave at the rate of 12 days per year.

The explanatory statement presented by Mr. DOUGLAS is as follows:

## EXPLANATORY STATEMENT BY SENATOR DOUGLAS

My proposals are alternative methods of reducing and equalizing Federal employees' leave provisions and would save \$100,000,000 or \$150,000,000 annually, depending on which measure is adopted. Both would end present leave discriminations against postal employees. My arguments and supporting data for such a move are in the CONGRESSIONAL RECORD of March 9, pages 3100-3108.

The first bill is exactly the same as my amendment to the deficiency appropriations bill. It would reduce classified and wage board employees' vacation from 26 to 20 working days per year and sick leave from 15 to 12 days. This, with weekends, would still allow a month's vacation, which is very liberal in comparison with that given by private employers. Meanwhile, it would raise the postal workers' vacation leave from 15 to 20 days and sick leave from 10 to 12 days. This proposal would save \$100,000,000 per year.

The second bill would also equalize sick leave at 12 days, but vacation allowances would be determined by length of service. Those with less than 3 years' service would get 10 days, or 2 weeks. When an employee has worked for 3 years, he would get 15 days, and after 10 years, vacation would be increased to 20 days.

Such provisions as those in the second bill would still be better than vacations given by virtually all private employers. It would save nearly \$190,000,000 a year, but short service employees would not have the opportunity to accumulate enough leave to serve as a cushion in case of a reduction in force. Therefore, were we to adopt this bill, we should tie in with it a provision for severance pay. I am presently studying this problem of severance pay, but I believe it would cost about \$40,000,000, leaving a net saving of \$150,000,000 per year if the second bill is enacted into law.

These bills provide two methods of handling the leave problem. It is my hope that the Senate Committee on Post Office and Civil Service will hold hearings and study this matter in detail and report whichever one seems to offer the best solution.

## CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

## UNIFORM SYSTEM OF BANKRUPTCY—NOTICE OF HEARING ON H. R. 3111

Mr. GRAHAM. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing has been scheduled for Thursday, April 20, 1950, at 10 a. m., in room 424, Senate Office Building, on H. R. 3111, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal subdivision b of section 64, subdivision h of section 70, and section 118 thereof and all acts and parts of acts inconsistent therewith. At the indicated time and place all persons interested in this legislation may make such representatives as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. GRAHAM], chairman, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Kentucky [Mr. WITHERS], the Senator from Wisconsin [Mr. WILEY], and the Senator from Missouri [Mr. DONNELL].

#### THE FERGUSON-MUNDT-NIXON BILL—ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD a radio address by him entitled "Why the Ferguson-Mundt-Nixon Proposal Should Be Defeated By the Congress," delivered by him on April 10, 1950, which appears in the Appendix.]

#### ECA'S NEW STRATEGY FOR A UNITED EUROPE—ARTICLE BY PAUL G. HOFFMAN

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article entitled "ECA's New Strategy for a United Europe," written by Paul G. Hoffman, Economic Cooperation Administrator, and published in This Week magazine of April 2, 1950, which appears in the Appendix.]

#### SUPPORT FOR THE ECONOMIC COOPERATION ADMINISTRATION—LETTER FROM BERNARD WEITZER

[Mr. BENTON asked and obtained leave to have printed in the RECORD a letter supporting ECA, written by Bernard Weitzer, and published in a recent issue of the New York Times, which appears in the Appendix.]

#### A FREE PRESS AS FIRST LINE OF DEFENSE—ADDRESS BY MARTHA ROUNDTREE

[Mr. MALONE asked and obtained leave to have printed in the RECORD an address entitled "Our First Line of Defense: A Free Press," delivered by Martha Roundtree at the twentieth annual joint luncheon of the Alliance of Business and Professional Women of Chicago and Chicago Association of Commerce and Industry, held in Chicago on March 15, 1950, which appears in the Appendix.]

#### CULTURAL EXCHANGE PROMOTES INTER-AMERICAN FRIENDSHIP—ADDRESS BY ELLEN COLLINS

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an address on the subject, Cultural Interchange Promotes Inter-American Friendship, delivered by Ellen Collins, associate editor of World Affairs, at St. Johns University, which appears in the Appendix.]

#### DISPLACED PERSONS LEGISLATION—EDITORIAL COMMENT

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD editorials regarding displaced persons legislation from the Baltimore Evening Sun of April 6, 1950, and from the New York Times of April 7, 1950, which appear in the Appendix.]

#### JOHN CROWN'S LEGACY—TRIBUTE BY HOWARD A. RUSK, M. D.

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD a tribute entitled "John Crown's Legacy," written by Howard A. Rusk, M. D., which appears in the Appendix.]

#### INFORMATIONAL MEDIA GUARANTIES PROGRAM OF THE ECONOMIC COOPERATION ADMINISTRATION

[Mr. CAIN asked and obtained leave to have printed in the RECORD information regarding informational media guaranties issued by the Economic Cooperation Administration, which appears in the Appendix.]

#### CONGRESSIONAL INVESTIGATIONS—ARTICLES BY LINDSAY ROGERS

[Mr. IVES asked and obtained leave to have printed in the RECORD two installments of a series of three articles entitled "When Congress Fumbles for Facts," written by Lindsay Rogers, and published in the New York Herald Tribune on March 29 and 30, 1950, which appear in the Appendix.]

#### THE AMERICAN MERCHANT MARINE—ARTICLE BY HELEN DELICH

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD the second of a series of articles on the American merchant marine, written by Miss Helen Delich, and published in the Baltimore Sun of April 11, 1950, which appears in the Appendix.]

#### SHADOW OF THE CENSOR—EDITORIAL FROM THE WASHINGTON POST

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Shadow of the Censor," relating to radio broadcasting, published in the Washington Post of April 11, 1950, which appears in the Appendix.]

#### JIM FARLEY'S PHILOSOPHY—EDITORIAL FROM THE DAVENPORT (IOWA) DEMOCRAT

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Jim Farley's Philosophy," published in the Davenport (Iowa) Democrat of March 5, 1950, which appears in the Appendix.]

#### BRAND NAMES DAY, 1950—ADDRESSES BY SENATOR WILEY AND LOUIS B. MAYER

[Mr. WILEY asked and obtained leave to have printed in the RECORD addresses delivered by him and by Mr. Louis B. Mayer at a Brand Names Foundation luncheon on April 5, 1950, which appear in the Appendix.]

#### NATIONAL CANCER DRIVE—ADDRESSES BY SENATOR MAGNUSON AND AWARD TO WALTER WINCHELL

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD two addresses delivered by him in connection with the National Cancer Drive, which appears in the Appendix.]

#### RADIO PROGRAM FOR DEMOCRACY

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a broadcast over the American Forum of the Air on February 22, 1950, which appears in the Appendix.]

#### POLICIES OF THE DEPARTMENT OF AGRICULTURE—LETTER FROM HARRY BOLING

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter regarding certain policies of the Department of Agriculture, addressed to him by Harry Boling, of Seymour, Ind., which appears in the Appendix.]

#### THE NATIONAL HYMN

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter addressed to him by several young people of Indianapolis regarding the change of the name of the national hymn, which appears in the Appendix.]

#### CONDITIONS IN EUROPE—REPORT BY J. L. SNYDER

Mr. DONNELL. Mr. President, there reached me recently a letter, dated March 30, 1950, from Mr. J. L. Snyder, of Holden, Mo. The letter sets forth, interestingly and instructively, condi-

tions which its writer found from a recent agricultural tour of several countries of Europe including France, Italy, Switzerland, Belgium, Ireland, Holland, England, and western Germany. The purpose of Mr. Snyder's trip was to study European agriculture and trade relations and learn the facts about the Marshall plan money. His communication is well worth reading. I ask unanimous consent that, at the conclusion of my remarks, there be set forth in full the contents of the letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Holden, Mo., March 30, 1950.

HON. FORREST C. DONNELL,  
Washington, D. C.

DEAR MR. DONNELL: Having returned a few days ago from the KCMO agricultural tour of several countries of Europe including France, Italy, Switzerland, Belgium, Ireland, Holland, England, and western Germany, I feel some of our findings might be of interest to you.

The purpose of the trip was to study European agriculture, trade relations and learn the facts about the Marshall plan money.

I paid my own expenses and therefore I am free to express my own opinions.

We were greatly surprised to find Europe, as a whole, in better condition than we have been led to think. We had the privilege of talking with agriculturalists, agricultural attachés, the ECA officials, agricultural economists and representatives and members of farm organizations in every country we visited. We also talked with persons traveling in coaches and busses with us, and some of their stories amazed us.

We learned that several countries are exporting wheat and dairy products, France and Italy in particular. Both of these countries are still worshipping their past history and old buildings. They do not understand the American idea of looking ahead. They feel that we were unfair to them in destroying their buildings. England will fight for all they can get even though they have had more than they should have had. It was a very great disappointment to us to find that the people of the middle or lower classes knew absolutely nothing about the generous gifts of our money. We discussed this freely with our representatives of the ECA, and they admitted their failure along this line. Those we had hoped would be friendly because of our financial aid were antagonistic. They claimed that it had been a detriment to them. After the Marshall money came they paid more for commodities than before. In France, the wealthy became wealthier and the poor became poorer. Belgium and Holland are exporting dairy products, and, like the other countries, have become our competitors on the world market. Our money is being used to buy products the European countries need from everywhere except the United States. The agricultural attaché in London told us that the price of wheat, according to the International Wheat Agreement, was set on the ceiling and not on the floor. So it is possible to buy wheat cheaper in Canada, Australia, and every place but the United States.

It is the opinion of the group that the United States has priced itself out of world markets, largely, I think, because of the labor conditions here. Farm labor in Italy costs 15 to 18 cents per hour. In Germany, a family makes about \$10 per week. In Belgium, wages are about 20 percent higher than in surrounding countries, but 13 percent of the people are unemployed. In France, a man is paid about \$2 a day for farm work. In Germany and in England the gov-



ernment sets the wages. Those in England are \$13 per week. Commodities are about the same price in Europe as in the United States.

The group, all midwestern farmers or stockmen, feels that the Marshall money should be stopped altogether by 1952, and that it should be drastically cut at once to all countries except Germany. I have been quoted in the Kansas City Star as saying that I favor an educational program to educate the peoples of Europe as to the Marshall plan. I do think that such a program should have been had long ago. Now I think it is too late. The only country needing such a program and needing aid is Germany, and they do not understand our town-hall method of discussing and learning. They are waiting for a leader, and America has no way of leading. Our soldiers were free to tell us that our one American division is in a very precarious position against about 25 Russian divisions.

We have been led to think that with financial aid we have been selling democracy and helping to keep communism down. In this we have definitely been "taken for a ride" as the gangsters would say. If the leaders of the countries and the men who administer the aid are the only people in that country who know where the money comes from, how can it help promote democracy? That is the situation. The countries that have been interested in getting on their feet, like Holland and Belgium, do not want more help. Their spirit was like a tonic to us.

This letter could be almost endless as I think of more and more things which we learned that would be very distasteful to the American taxpayer. So I will add a summary which I will try to make brief.

Germany is a problem, and our boys there need something done. I am not able to offer a suggestion, for the damage was done a long time ago, as we all know.

It is my opinion that in the case of war with Russia, we cannot count on France or Italy as it is now. But if we build a national defense excelled by no other country on earth, they will know that by joining us they will be on the winning side. Our only hope is to build a nation unexcelled both economically and militarily, for we can't buy allies with money. They think of us as a careless Nation knowing only waste both in money and soil. And the sad thing about it is that they are exactly right. In Belgium, two people to each acre of land are better off than they average two people in Missouri. But in Belgium, they are for Belgium, and in America we have let our people be sold on the idea of being so strong that we should be for every other country first.

The only praise for the United States anywhere in Europe, where we traveled, was not for our money, but it was in the countries where the American soldiers liberated them; though in France they seem to think they should have been liberated without the loss of any of their old buildings and statues. In Belgium and Holland, they spoke almost reverently about the work of the underground and the coming of the American boys. This made us all proud, but it made me realize that it is my obligation in the only way I know to appeal to you, our Senators and Representatives, to keep our money at home and to build a Nation so strong both economically and militarily that no power on earth will dare attack us. Then no American boy will have to lie in the cemeteries over there because we have thought of Europe first.

Yours very truly,

J. L. SNYDER.

NATHAN W. ROBERTSON—RESOLUTIONS OF STANDING COMMITTEE OF CORRESPONDENTS

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in

the body of the RECORD a resolution adopted by the Standing Committee of Correspondents expressing their sorrow at the untimely death of Nathan W. Robertson, a newspaper man who had covered the Senate and the House of Representatives for a number of years.

Mr. Robertson had won the confidence and admiration of his fellow correspondents, and he was known to many Members of Congress as a man who held the highest standards of journalistic ethics.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas in the untimely death of Nathan W. Robertson, of the Labor Press Association, the Press Galleries of Congress have lost a distinguished member; and

Whereas Nathan W. Robertson, as a member of the Press Galleries was outstanding in all the qualities which bring highest recognition in the field of journalism; and

Whereas his fine spirit of friendship, his uniform courtesy, his devotion to truth, and his scrupulous adherence to the ethics of his profession, together with his rare ability as a newspaperman combined to make him affectionately known among journalists and public men: Therefore be it

Resolved, That the Standing Committee of Correspondents, in behalf of the members of the Press Galleries express to the family of Nathan W. Robertson their sorrow at the passing of a prominent coworker, and that this resolution be communicated to his family.

STANDING COMMITTEE OF CORRESPONDENTS,  
WILLIAM F. ARBOGAST, Chairman.

DISPLACED PERSONS—LETTER FROM INTERNATIONAL REFUGEE ORGANIZATION

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the Record a letter from the International Refugee Organization, United States zone headquarters, Bad Kissengen, Office of Public Information, relating to a matter of censorship. I brought the matter before the Committee on Appropriations yesterday, and requested information from the State Department regarding it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL REFUGEE  
ORGANIZATION,

UNITED STATES ZONE HEADQUARTERS,  
OFFICE OF PUBLIC INFORMATION,  
Bad Kissengen, January 6, 1950.

To all editors and publishers DP newspapers and magazines:

This office has received the following instruction from the Chief of the Office of Public Information, International Refugee Organization headquarters, Geneva:

This memorandum will confirm my decisions expressed in our telephone conversations in November and today that newspapers (and magazines) published under IRO sponsorship by displaced persons must not be permitted to publish attacks on member states of the United Nations.

Will you please inform all editors of DP newspapers (and magazines) that any further publication of news or political comments of a nature which will embarrass IRO in its relations with the United Nations will result in revocation of the offending newspaper's license to publish and withdrawal of IRO support from the paper, services from the individual offenders.

ROBERT C. DOTY,  
Chief, Office of Public Information.

IRO HEADQUARTERS, Geneva.

The instructions quoted above will be fully enforced by this office.

CHARLES T. REUNER,  
Chief, Office of Public Information.

DELIVERED PRICE SYSTEMS AND FREIGHT  
ABSORPTION PRACTICES

Mr. KEFAUVER. Mr. President, inasmuch as the conference report on Senate bill 1008 will soon be considered by the Senate, I have asked the heads of the Federal Trade Commission for their opinion of the conference report which will be submitted. I have a memorandum signed by the heads of all the departments of the Commission expressing continued opposition to the conference report. I ask unanimous consent to have the memorandum printed in the body of the RECORD, together with a separate opinion by the general counsel of the Federal Trade Commission, Mr. W. T. Kelley.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

Memorandum for Commissioners Carson and Mead:

Pursuant to your request, the undersigned are submitting to you herewith a brief statement of our views on S. 1008 as it is presently pending in the United States Senate for consideration. The undersigned have all been intimately connected with the work of the Commission in antimonopoly and price-discrimination cases and in appraising the economic effects of the practices which are dealt with in S. 1008.

It is our understanding that the purpose of S. 1008 was to clarify the law with respect to freight absorption and delivered prices. It is obvious to us that the bill in its present form does not accomplish this purpose. On the contrary, it confuses these matters far beyond any confusion which has existed. If the bill is enacted, it will give rise to a long period of litigation and uncertainty, both as to public and private rights and duties, and we earnestly believe that it will operate to seriously handicap the antimonopoly work of the Commission.

We are unanimous in our view that the bill is both unnecessary and undesirable and that it can only prove destructive of the antitrust laws.

Respectfully submitted.

W. T. Kelley, General Counsel; James W. Cassidy, Associate General Counsel; Robert B. Dawkins, Associate General Counsel; Joseph S. Wright, Chief, Division of Compliance; Richard P. Whiteley, Director, Bureau of Litigation; Everett MacIntyre, Chief, Division of Antimonopoly Trials; Lynn C. Paulson, Assistant Chief Trial Counsel; Corwin D. Edwards, Director, Bureau of Industrial Economics; John M. Blair, Chief, Division of Economics; Joseph E. Sheehy, Associate Director, Bureau of Legal Investigation.

APRIL 7, 1950.

Memorandum for Commissioners Carson and Mead:

I agree with the views expressed in the memorandum and have signed same.

I am opposed to S. 1008. First: In my opinion it is not an unfair method of competition in violation of the Federal Trade Commission Act or conduct in violation of the Sherman Act for an individual seller not occupying a preponderant or monopolistic position in the industry with power to control the market acting on his own and independently to sell its products on a delivered price policy or to absorb freight. To the best of my knowledge the Commission

has never held such a practice to be unlawful and I know of no case in which the Government challenged such conduct as unlawful. In such case, if there be a restraint of trade or of competition it may or may not, depending on the facts, constitute a violation of the Robinson-Patman Act. But in no such case is there danger of control of the markets; the fixing of prices or dread of enhancement of prices, and consequently the only statute applicable is the Robinson-Patman Act which forbids price discriminations which are violative of said act.

There is nothing inherently unlawful in selling on a delivered-price policy or absorbing freight. Of course, there may be a restraint of trade—a sale of goods to a buyer restrains trade pro tanto to that extent but it is a lawful restraint. Collusion or agreement between competitors to sell on a fixed policy or to absorb freight, however, may, depending upon the facts, have an inherent capacity to work injury to competition and against the public interest. But this is not the case of a seller acting independently and electing its own policy.

Second: In my judgment the Robinson-Patman Act should not be amended, and it is my opinion that it needs no clarification. If the Supreme Court in the Standard Oil of Indiana case sustains the construction of the statute placed upon it by the Federal Trade Commission, no congressional change in the statute should, in my opinion, be made. If the Supreme Court in said case should hold that meeting competition in good faith is a defense to price discrimination irrespective of injurious effect on competition, then I would feel that there would be a situation which would deserve the serious consideration of the Congress.

In view of the above and for those reasons I have signed this memorandum.

Respectfully submitted.

W. T. KELLEY,  
General Counsel.

APRIL 7, 1950.

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

At a regular session of the Federal Trade Commission, held at its office in the city of Washington, D. C., on the 7th day of July A. D. 1949.

Commissioners: Lowell B. Mason, Acting Chairman; Garland S. Ferguson, Ewin L. Davis, William A. Ayres.

*In the matter of Rigid Steel Conduit Association et al.*

(Docket No. 4452)

Order Denying Motion To Reopen and Modify

This matter comes before the Commission on motion by certain respondents to reopen the proceeding and modify the order to cease and desist entered on June 6, 1944, by striking paragraph V thereof and substituting certain language set forth in the motion.

The purpose of the requested modification is said to be to make clear that the order does not prohibit any of the respondents, acting independently, from quoting or selling at delivered prices or from absorbing freight. The Commission does not consider that the order in its present form prohibits the independent practice of freight absorption or selling at delivered prices by individual sellers. What the questioned portion of the order does prohibit is the continuance of the basing-point, delivered-price system, found to have been the subject of conspiracy, or any variation thereof which might be accomplished through the practices specified in subparagraph (a), (b), (c), or (d) when done, as stated in the order, "for the purpose or with the effect of systematically matching delivered-price quotations."

Taking the matters pleaded in the motion and memorandum in support thereof as true only for present purposes, no change of fact or of law appears and there is no showing

that the public interest requires reopening and modification of the order. In the absence of an adequate showing of such change of law or fact or the requirements of the public interest the motion is denied.

By the Commission:

D. C. DANIEL,  
Secretary.

Concurring opinion by Commissioner Mason attached.

PETER MICHAEL EL-HINI

Mr. WHERRY. Mr. President, on behalf of the senior Senator from Minnesota [Mr. THYE] and in his absence—he is now in his home State—I ask unanimous consent, if I may do so at this time, for the present consideration of House bill 6656, for the relief of Peter Michael El-Hini. The bill provides merely for the relief of an infant son of parents who are now in Europe. The infant son is, I believe 2 years old. His name is Peter Michael El-Hini. The stepfather, John A. Psau, is a citizen of the United States, and an employee of the Government. His parents wish to come back to the United States, but because there is no quota number available for him they will have to leave for many years the infant son in the country in which they now are. The bill passed the House and came to the Senate. The Senate Committee on the Judiciary has reported it unanimously and it is now on the Senate Calendar. I ask unanimous consent for the present consideration of the bill. Will the Senator from New Mexico [Mr. CHAVEZ] agree that the bill may be taken up now? If there is any objection, I will immediately withdraw the request.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6656) for the relief of Peter Michael El-Hini.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska for immediate consideration of the bill?

Mr. CHAVEZ. Mr. President, I should like to accommodate the Senator from Nebraska, and I have told him I would.

Mr. WHERRY. I thank the Senator.

Mr. CHAVEZ. I like to keep my promises, as I generally do. And I would on this occasion if the circumstances were such that I could with dignity but if I say "Yes" to the Senator from Nebraska—

Mr. WHERRY. Ah—

Mr. CHAVEZ. Just one moment, Mr. President. But here comes the Senator from Massachusetts, who has just as much right to ask unanimous consent as any other Senator. I understand the Senator from Georgia wishes to make a request for consideration of a matter. I do not like to play favorites.

Mr. WHERRY. Very well.

Mr. CHAVEZ. I like to be fair to all. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

FLOOD CONTROL AND RIVERS AND  
HARBORS

The Senate resumed the consideration of the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and

harbors for navigation, flood control, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment offered on behalf of the Committee on Interior and Insular Affairs by the Senator from Wyoming [Mr. O'MAHONEY] on page 45, after line 14, to insert new sections 205 and 206.

Mr. LUCAS. Mr. President, the senior Senator from Pennsylvania [Mr. MYERS] is necessarily absent from the Senate floor this afternoon. He is greatly interested in the omnibus flood-control bill and had intended to deliver a short statement on the Pennsylvania projects included in the bill. I ask unanimous consent to have printed in the body of the RECORD the statement prepared by the Senator from Pennsylvania respecting the projects in question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. MYERS. Mr. President, I do not intend to take much of the Senate's time in discussing the measure now before us. I say this—not because I feel the omnibus flood-control bill is unimportant—but only because the measure concerns so many States and so many localities we simply do not have time here on the Senate floor to give each project the discussion time it deserves.

But I simply cannot let this opportunity pass without telling the Senate, even if only briefly, about the projects in this bill which most directly affect the people of Pennsylvania. I say this knowing full well that all these projects affect in some way—and benefit—the lives of Pennsylvanians.

The Bradford flood-control project—involving an authorization of \$6,467,000—is, in my opinion, the "hard-luck" project of Pennsylvania. Need for some sort of flood-control measures in this community had existed for many years, and in 1947 as a result of a resolution I introduced, a survey was made by the Engineers of flood damages in Bradford and vicinity. Just as the Engineers were about to make their preliminary report on it, a new flood, swept down Main Street of Bradford to a depth of 6 feet, spreading over 650 acres of the business and residential sections of the town. And in 1948, another flood hit Bradford. These floods were responsible for a delay by the Engineers—which delay was needed to provide time to resurvey the damage in order to have all the relevant data on the need for this project. When the report was finally submitted, it was too late for routine clearance by the Budget Bureau and therefore missed being included in the last omnibus bill.

Surely though, these two floods—in this important crude-oil production area—furnishes the best kind of proof that Congress must act now to authorize this project.

Another project in Pennsylvania which merits discussion is the \$6,000,000 Dyberry Reservoir for the Lackawaxen River. Actually, this is companion to the Prompton Reservoir, authorized by Congress in 1948. The Senate that year cut off the Dyberry project, even though it had already been authorized by the House.

Let me say that if the people in the Dyberry area are to have adequate protection from flood damages, we in Congress must authorize both reservoirs—the original plan. If I had not been convinced of the need for these reservoirs, I never would have introduced the resolution in the Senate which resulted in studies being undertaken by the engineers. If the Engineers had not been convinced both reservoirs were needed, they never would have recommended the dual construction. And if the Senate Public Works Committee back in 1948 had consid-



ered the Dyberry Reservoir unneeded, it should have never described the project as a good one.

Also included in this omnibus bill are provisions for work on the Monongahela River, in West Virginia. The amount involved in this authorization is \$29,238,000. Though this project is not actually in my State, the fact remains that the Monongahela is one of the key links in that so-important steel-producing area of which Pittsburgh is the heart.

I could go into a great deal more detail on all of these projects—damage caused by previous floods, loss in lives and incomes, the long delays in getting the projects under way—but I hope I have succeeded in these few remarks in indicating the clear present need for these projects.

Mr. MAGNUSON obtained the floor.

Mr. LEHMAN. Mr. President, will the Senator yield to me to make a brief statement?

Mr. MAGNUSON. Yes; I yield for that purpose.

Mr. LEHMAN. Mr. President, I rise to speak very briefly for the pending Columbia Basin amendment offered by the senior Senator from Wyoming [Mr. O'MAHONEY], on behalf of the Committee on Interior and Insular Affairs. I am informed that I am one of a very few eastern Senators who have had the privilege of serving on the Committee on Interior and Insular Affairs. I have felt a great satisfaction in taking a deep interest and an active part in the work of that committee under the brilliant leadership of the senior Senator from Wyoming [Mr. O'MAHONEY].

I became a member of the Interior Committee with some knowledge of the problems of water power, since my own State is deeply concerned with the development of water power on the St. Lawrence and the Niagara Rivers. Perhaps some of my colleagues may know that I have been interested in and concerned with the development of public power and the preservation of the great natural resources of power for the benefit of the public for many, many years. I know comparatively little, however, of the problems involved in irrigation and reclamation projects.

I have attended almost all the meetings of the Committee on Interior and Insular Affairs. We have had 20 or 25 meetings on the Columbia Basin amendment alone. I have come to two conclusions respecting it. One is that the development of the reclamation and irrigation projects provided for in this amendment will be of great benefit not only to the States involved, the States making up the Columbia Basin, but also to the Nation as a whole. I feel strongly, as I have always felt, that the prosperity and development of one section of the country inevitably inures to the benefit and the prosperity of our entire Nation.

I have learned a second thing from the hearings, that there is no possibility of carrying on an extended reclamation and irrigation program except through the use of some of the revenues of power projects, either in the form of direct income or in the form of the interest component.

The cost of these projects is so great that it could not possibly be met by the settlers alone, unless we place on them an unbearable burden, running over a

period of many years into the future. It is inevitable and essential that in the development of the reclamation and irrigation projects which are so greatly needed in the West, some of the revenues from the sale of power be used to make up the difference between what can be paid by the settlers and the total cost.

So, Mr. President, I feel most strongly that the future development of irrigation and reclamation in the West, the Northwest, and the Southwest not only is in the interest of the States involved, the States included in the basin, but is in the interest of the entire Nation.

Not only will I vote for this amendment, but I earnestly urge all my colleagues in the Senate to do likewise.

Mr. MAGNUSON. Mr. President, first I wish to express my appreciation to the distinguished junior Senator from New York [Mr. LEHMAN] for his very fine attitude in the national interest in respect to the development of our great country and its natural resources. He has approached this entire problem without any sectional interest or any narrow sectional view whatever, and I greatly appreciate what he has said.

As the junior Senator from New York has said, we are speaking today in respect to the development of and in the interest of five great States in the Pacific Northwest. This matter involves a river basin which probably has greater potentialities of power, irrigation, and reclamation development than does any other river basin in the world. The Columbia River flows through or drains those five States; and I think I am safe in saying that it is the backbone of the potential economy and the future of the great Pacific Northwest.

Already, Mr. President, the developments along that river have received a great deal of help from the Federal Government, and already there exists in that area the greatest pool of cheap hydroelectric power in the world. Power is now being produced in some quantity by the dams which have been built, and is being sold to the consumers at a minimum rate of \$17.50 a kilowatt hour a year—the cheapest power rate in the world.

I may say in passing that if Congress would look with similar favor upon other river basins and would manifest toward them an interest similar to that which the junior Senator from New York has evidenced in respect to the development of this great basin, power rates to American consumers throughout the United States could be lowered considerably. Such a development has also occurred in the great valley which is so ably represented here by the distinguished President pro tempore, the senior Senator from Tennessee [Mr. McKellar], who now is presiding over the Senate. Similar developments can occur in the Southwest, in the Arkansas Basin, and in the Northeast, where power rates today are the highest in the Nation because the great hydroelectric potentialities which exist there are not being developed.

We in the Pacific Northwest have been somewhat fortunate, and I am sure we are grateful for the action taken by various Congresses, beginning in 1934. We greatly appreciate the help they have given

us to develop the great Columbia River and its potentialities.

Mr. President, despite the fact that we have this great power pool and this cheap power, and despite the fact that we have developed in excess of 3,000,000 kilowatt-hours of electricity a year from the great Bonneville pool, which now is composed not only of power from Bonneville, Grand Coulee, and the other dams, but also of the power from the dams operated by private utilities, we find ourselves still somewhat underdeveloped in respect to the production of electric energy. In fact, paradoxically, we find ourselves short of power; and in the past 2 or 3 years we have had occasion to have some minor brown-outs during the winter season because we are short of power.

The shortage has been caused by several factors. In the first place, there has been a great increase in the use of electric energy in the Pacific Northwest; in the second place, because of the availability of cheap power, the light-metals industry began to build plants in that area. Electrolysis plays a large part in the production of light metals, particularly aluminum and magnesium. The light metals industry consumes almost 40 percent of the great power pool. The Government also built in that area the great Hanford atomic energy plant, which has tied up another portion of the power pool. It does not use all of it; but no commercial contracts or commitments may be made by the Bonneville Administrator for a certain portion of the pool which may be needed at the atomic energy plant.

Moreover, Mr. President, we have conducted a great social experiment in the development of this cheap electric power. We have learned—and this principle runs true to form, and I am sure it applies equally to the Tennessee Valley—that the cheaper electricity is made available to consumers, the more electricity is used; the cheaper the power rates, the more the consumers, including housewives and farmers, use electric power. So our domestic consumption of electric power has almost doubled in the past 10 years.

Mr. President, I may say with some pride that because the Columbia River has been developed the State of Washington—and Oregon is right on our heels—is today in the position of having 94 percent of its farms electrified; only 6 percent of the farms in my State do not now have electricity. In fact, I think the figure as of the present moment is even higher, because I understand that in the case of some farms, although electricity is available, the farmers say they do not want it. Therefore, I think I am safe in saying that 98 percent of all the farms in that great State have cheap electric power available to them. We are grateful for this situation and development. In most parts of that great river valley, today the housewife has electric power available for her use. She can use electricity for practically everything, and can do so for a very modest sum, because the rate is the cheapest in the world. If the Congress continues to take toward the various river basins the same attitude which has so ably been expressed today by the junior Senator

from New York—in the national interest, not from a sectional viewpoint—I say that cheap electric power can be delivered to practically every home in the United States.

I can remember that years ago, when I was a Member of the House of Representatives, we were soliciting appropriations for the great Grand Coulee Dam. Every year we were required to go before the Appropriations Committee and present our case and get whatever appropriation seemed to be available. I can remember that year after year when we would request an appropriation, Representatives from other sections of the United States would stand on the floor of the House of Representatives, and invariably would ask the same question: What are you going to do with all that power? Why are you asking for it? Are you asking for money with which to build a great mass of concrete in the desert? Are you going to sell the electricity to the jack rabbits?

Mr. President, the truth of the matter is that we should have asked for double the amount then requested, because today we still have a great shortage of electric power. Despite the fact as a result of that development there was brought about the strong economy which played such an important part in the recent war, many of the projects and developments in that section of the United States still do not have available to them all the electric energy and electric power they need.

Inasmuch as I have mentioned the recent war, let me say that without the electric energy made available as a result of the construction and operation of the Grand Coulee Dam, the development of the atomic energy plant at Hanford would not have been possible at the time when it was built; and without the cheap power pool coming from the Bonneville Dam, it would not have been possible for the United States to have been prepared air-wise as quickly as she was prepared during the recent war, because during the war we began to make aluminum faster than any other country could, and we supplied most of our allies with the aluminum they needed for producing war material. Yet despite that fact, we need further development. All the projects are self-liquidating.

The pending amendment provides for over 90 percent reimbursement to the Government. We have paid off every loan the Federal Government has made to us. In fact, this proposal calls for nothing but a loan. The Bonneville Power Authority, which comprises the great power pool of all these dams, including Grand Coulee, is almost 6 years ahead of its repayment schedule to the United States Government, including interest. In the meantime, we have added to the wealth of the Nation by billions of dollars, and have done so, I think, even to a greater degree than other sections of the country, not because they did not want to do so, but because we had the cheap power available.

The peculiar geographical situation of the Columbia Basin makes it difficult for us to separate power and reclamation. Most of our projects are multiple-purpose. They include power, reclamation,

and irrigation; sometimes all of them. It is true that some of the dams are primarily for power and some projects are primarily for irrigation; but there is no project within the area, either contemplated, under construction, or completed, that does not involve one of the three features to some degree. By reason of that fact, participation in the area by the Federal Government has been had through two departments of the Government, the Bureau of Reclamation and the Corps of Army Engineers. We have today on the Columbia River under the control of the Bureau of Reclamation a dam which was constructed by that Bureau, and it was well constructed; the job was well done, and the dam efficiently operated. We have there another dam, constructed by the Corps of Engineers. It also was well constructed and is efficiently operated. We have projects completely mixed up between the two agencies. I am not critical of that, because they both did a great deal to develop the area, and most of the projects contain to a degree features involving the jurisdiction of both agencies. The general pattern was that if a project related more to power than to irrigation or reclamation, the Army engineers would build and operate it; if most of the features related to irrigation and reclamation, then the Bureau of Reclamation would build and operate it. But, because we were developing this great basin, because its potentiality was so great, and because of the obvious necessity for many reasons of joint work on the projects, the Bureau of Reclamation and the Army engineers attempted several years ago to get together on what they called a joint comprehensive plan. They worked on it for a long time, spending about \$6,000,000 in developing the comprehensive plan.

About a year and a half ago they made a joint report, No. 308, which was agreed to by both the Bureau of Reclamation and the Corps of Engineers, respecting multiple-purpose projects for the development of the Columbia River. The plan was submitted to and approved by the Congress. So the two agencies, with the approval of the President and of the Budget Bureau, came to Congress with report 308, requesting an authorization. Because of that we today find ourselves in a dilemma. The report was submitted to the Public Works Committee, and was considered by the committee. The committee considered very fairly and courteously the so-called rivers-and-harbors portion of the report. One member of the committee, the Senator from Utah [Mr. WATKINS] who was also a member of the Committee on Interior and Insular Affairs, suggested that because part of the comprehensive report related to irrigation and reclamation projects, the consideration of those projects should be within the jurisdiction of the Committee on Interior and Insular Affairs. It was suggested, and agreed to by all parties, that because of the inability to separate the projects contained in the report, the Committee on Interior and Insular Affairs should also consider it.

On the floor of the Senate, the chairman of the Public Works Committee and

the chairman of the Committee on Interior and Insular Affairs engaged in a colloquy last fall on the subject of the procedure which should be followed. The colloquy was read by the Senator from Wyoming [Mr. O'MAHONEY] yesterday, so I need not put it in the RECORD at this time. It was my understanding that after the Committee on Interior and Insular Affairs considered the portion of report 308, in which there were recommendations by the Army Engineers and by the Bureau of Reclamation, and had agreed to the reclamation features, they could become part of this bill, since the projects cannot be separated.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. Do I correctly understand the Senator to say it is his understanding that the coordinated report No. 308 is a part of this amendment?

Mr. MAGNUSON. No. I was speaking of the so-called agreement that the Committee on Interior and Insular Affairs should take the portion of the report and study the recommendations as to reclamation and irrigation, but not that it should study the entire report.

On Monday, March 6, the Committee on Interior and Insular Affairs approved, by a vote of 8 to 4, the amendment which is now before the Senate. The amendment proposes to authorize projects at an ultimate estimated cost of over \$600,000,000. That is a part of the comprehensive report, No. 308, to which I have referred, but it is not all of it. It contemplated construction of projects over a period of perhaps 4 or 4½ years. In addition, it provided a technique for basin-wide pooling of costs allocated to power and revenues returned by power. The amendment is a part of what has come to be known, as I mentioned previously, as the comprehensive plan for the development of the Columbia River and the Columbia Basin.

It was stated yesterday by a member of the Public Works Committee that this amendment had not been before the committee, that what the committee had been discussing related to a proposed Columbia Valley Authority. It is true there is pending in Congress a bill to create a Columbia Valley Authority similar to the TVA, but that is still pending. Although it is related to the development of the Columbia Basin, it has absolutely nothing to do with the pending amendment, which provides for the brick and mortar, so to speak, whereas the other proposal relates to management. They are two parallel roads in the development of the Columbia Basin. I personally entertain the hope that they both will lead to Rome, though they may not. But in the meantime we want to proceed with what we call the 308 report, which is on concrete construction and the material development of the Columbia Basin for all three purposes.

It has been suggested that this amendment had not been before the Committee on Public Works. The amendment has been before that committee, and there were lengthy discussions of the subject. The hearings on flood control in connection with the bill presently before the



Senate contained pages of testimony on this proposal, which embodies some irrigation and reclamation projects. That is the reason why it was sent to the Committee on Interior and Insular Affairs.

It was suggested yesterday that the feature of this amendment which provides for a basin account, which I shall attempt to explain later, was not before the committee. That question was also before the committee, and the whole comprehensive plan was proposed as an amendment to this bill. It is true, it was originally introduced as a bill, but it was proposed to the committee as an amendment and was considered by the committee as such. It was then turned over to the Committee on Interior and Insular Affairs because of the reclamation and irrigation features, which, I again remind the Senate, cannot be separated in the development of the Columbia Basin.

Now that the Senator from New Mexico [Mr. CHAVEZ] has returned to the floor, let me say that there was some suggestion that the amendment now pending had not been before the Committee on Public Works. I have just stated that the hearings before that committee contained pages of testimony with reference to this amendment. It was submitted to the committee as an amendment. There was a further suggestion that the so-called basin account was not before the Public Works Committee. I distinctly remember our discussing the basin account.

So, Mr. President, in order that the RECORD may be clear, I wish to read from the Daily Digest of the RECORD, October 6, 1949, page D681, as follows:

In executive session, the committee voted to report with amendments H. R. 5472, to authorize the appropriation of \$1,564,000,000 for the construction and completion of various flood-control and river and harbor projects.

Before taking this action, the committee rejected an amendment proposing a comprehensive plan for the Columbia River Basin project, but adopted amendments to authorize the construction of individual projects and the appropriation therefor, totaling \$250,000,000 to the Corps of Engineers and \$175,000,000 for the Bureau of Reclamation. (The proposed appropriation for the Bureau of Reclamation is contingent on approval by the Committee on Interior and Insular Affairs.)

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. Notwithstanding what was in the bill as stated by the Senator from Washington, is it not true that this amendment would carry practically \$600,000,000 more in appropriations than are itemized in the bill now being considered?

Mr. MAGNUSON. No. I have not read the final draft of the amendment of the Senator from Wyoming.

Mr. CHAVEZ. That is the amendment which the Senator is now discussing.

Mr. MAGNUSON. The amendment, as I understand, and as I understood from the Committee on Interior and Insular Affairs, contains only the items which were discussed in the hearings before the Committee on Public Works—only items in the Columbia Basin and

items discussed and passed upon in the committee. If the amendment contains any more than that, I should be against it myself.

Mr. CHAVEZ. Very well. Let me ask this question of the Senator from Washington: With reference to the Columbia River Basin, the amendments which have been approved by this body contain the following projects:

- (a) Libby Dam, Kootenai River, Mont., \$53,000,000.
- (b) Priest Rapids Dam, Columbia River, Wash., \$2,000,000.
- (c) John Day Dam, Columbia River, Wash. and Oreg., \$700,000.
- (d) The Dalles Dam, Columbia River, Wash. and Oreg., \$600,000.
- (e) Local flood-protection project at Bonners Ferry, Kootenai River, Idaho, \$750,000.
- (f) Local flood-protection project at Pendleton, Oreg., and Jackson Hole, Wyo.; and Hepner Dam and downstream channel improvements, Willow Creek, Oreg., \$5,678,000.
- (g) Local flood-protection projects in the Columbia River Basin, Mont., Wyo., Utah, Nev., Idaho, Oreg., and Wash., \$23,000,000.

Will the Senator from Washington now tell the Senate whether the amendment he is now discussing contains projects in addition to those items?

Mr. MAGNUSON. That is correct. The items read by the Senator from New Mexico were, of course, in the bill as reported, but they are not a part of the plan; they are isolated items. For instance, the flood control of which the Senator speaks is flood control on the lower Columbia River, which has nothing to do with the basin development. It represents dikes which were washed out in the great flood of 2 years ago which practically inundated the cities of Vancouver and Seattle. One is the Libby Dam. The other items for the other dams are mere planning. Priest Rapids Dam will cost almost \$200,000,000. John Day Dam is one of the largest dams on the Columbia River.

Mr. CHAVEZ. Is it not a fact that as the bill came from the House it contained only, on the Columbia River Basin, the Albeni Falls Dam, in Idaho, and an additional authorization for the Willamette River Basin, of \$40,000,000; improvements around Portland and vicinity, \$332,000; levees on the Willamette River, \$14,000,000; Columbia River irrigation, \$4,000,000; modification of levees on the Columbia River, \$14,000,000, and levees along the lower Columbia River, \$2,000,000, totaling \$107,997,000? Does not the bill which is now being considered by the Senate, add to that amount \$142,000,000?

Mr. MAGNUSON. It adds to it. What the Senator says is correct, but he is talking about power and flood-control projects, having little or nothing to do with the development of the comprehensive plan of the Army engineers and the Bureau of Reclamation for power and reclamation development.

Mr. CHAVEZ. Whether they are flood control, irrigation, or navigation projects, they are still a part of the comprehensive plan which was submitted by the Army engineers and other governmental authorities.

Mr. MAGNUSON. Only as to the Albeni Falls Dam and money for planning

for other great dams which are planned for the far future.

Mr. CHAVEZ. What use will be made of the \$142,000,000 which has been approved by the committee?

Mr. MAGNUSON. It is all for flood-control construction. It does not include the comprehensive plan for power and reclamation.

Mr. CHAVEZ. Does the Senator mean to tell the Senate that the flood-control section is not a part of the over-all plan?

Mr. MAGNUSON. It is not a part of the 308 report, with the exceptions which I have pointed out. The Albeni Falls Dam is a part of it, the Libby Dam is a part of it, but the levees on the lower Columbia River and the levees on the Willamette River are not a part of the plan for power and irrigation in the 308 report.

Mr. CHAVEZ. Of course they are not for power. If a plan is made for flood control, I understand that it can be used for irrigation, or something else.

Mr. MAGNUSON. There are such projects in the area.

Mr. CHAVEZ. Very well. Will the Senator from Washington tell the Senate what the money is going to be used for, after the House has approved \$107,997,000, and the Senate so far has approved an additional \$142,000,000?

Mr. MAGNUSON. It is set forth in the report.

Mr. CHAVEZ. It is in the report; and it is a part of the comprehensive plan.

Mr. MAGNUSON. No; it is not part of the comprehensive plan. Only the parts which I have mentioned are included in the plan. I will put the comprehensive plan in the RECORD, so there will be no mistake about it. Plans have been made for the area, but the projects mentioned are not a part of the comprehensive plan. The plan is embodied in a separate engineering report.

Mr. CHAVEZ. The comprehensive plan and the report were supposed to take effect and be part of the whole scheme of things when we worked out the Columbia River Basin Authority. Is that not correct?

Mr. MAGNUSON. That is correct, but the administrative officials of the Government have asked us to look into the Columbia River Basin Authority, and we are now looking into it, and we intend to hold hearings on that question. However, the Senator from Washington now offers an amendment dealing with that subject, to a flood control—rivers and harbors—navigation bill, without any hearings being held by the committee.

Mr. CHAVEZ. I may say, Mr. President, that I am sympathetic. It may very well be the plan is a good one. However, inasmuch as we have a Columbia River Basin Authority bill before the committee, and since the committee has not had any hearings on the subject referred to by the Senator from Washington, I do not believe it should be included in a rivers and harbors bill at this time by an amendment offered from the floor. That is the only difference between the Senator from Washington and the chairman of the committee. I am not antagonistic to the idea presented by the Senator from Washington.

I am sympathetic, and I agree with him on the development, but I do not think it should be taken care of in this way.

Mr. MAGNUSON. I appreciate the interest of the Senator from New Mexico. He has always had a great interest in western development, whether it be flood control, irrigation, or reclamation. However, all these matters were before the Committee on Public Works. General Pick testified, and representatives of the Bureau of Reclamation testified. As a matter of fact, the amendment includes the basin account, which was discussed previously.

Mr. CHAVEZ. That is correct.

Mr. MAGNUSON. Long discussion was had. I testified, the Senator from Oregon [Mr. MORSE] testified, and the Senator from Washington [Mr. CAIN] testified. The testimony is all in the report of the hearings.

Mr. CHAVEZ. Yes; the senior and junior Senators from Washington testified, General Pick testified, and many other persons testified. However, will the Senator state what the action of the committee was?

Mr. MAGNUSON. I just read the action of the committee. The proposal was referred to the Committee on Interior and Insular Affairs. I will read the action of the committee again. The committee rejected an amendment proposing the whole comprehensive plan.

Mr. CHAVEZ. That was not done because the committee were against the plan. They rejected the plan because it was not the proper time to take care of it, and because hearings had not been held on the whole plan.

Mr. MAGNUSON. That is correct. They brought up the whole plan. I know my bill takes in the whole plan. Although I am not a member of the committee, I sat in on some of the hearings, through the courtesy of the committee, and it was decided by the committee that a portion of the plan, or a projection of it, which we figured would take 3½ years, was approved.

Mr. CHAVEZ. As a result of that we included \$142,000,000 in the bill.

Mr. MAGNUSON. No; that is not included.

Mr. CHAVEZ. As a result of presentations made by the Senator from Washington, and other interested persons from the Columbia River Basin, we included \$142,000,000 in the bill.

Mr. MAGNUSON. The committee adopted an amendment authorizing construction of individual projects, with appropriations totalling \$250,000,000 to the Corps of Engineers, and \$175,000,000 to the Bureau of Reclamation. However, the proposed appropriation for the Bureau of Reclamation was contingent upon the approval of the Committee on Interior and Insular Affairs. What I am talking about is the proposed amount for the Bureau of Reclamation.

Mr. CHAVEZ. Yes.

Mr. MAGNUSON. Perhaps I did not understand the Senator. The committee did put in these other projects for the Corps of Engineers.

Mr. CHAVEZ. Yes. Let me read the report to the Senator from Washington,

so that there will be no misunderstanding whatsoever. I read from page 68:

The committee was requested by several Senators and Members of Congress, and governors and groups of citizens in the Pacific Northwest, to include an amendment in the bill approving the Columbia Basin comprehensive plan and providing an initial authorization to start work on the most urgent parts of the plan. The committee held hearings on this proposed amendment and heard many witnesses urge its inclusion in the bill. At the same time the committee also has had under consideration a proposal contained in S. 1645—

Which I think was introduced by the Senator from Washington—

to establish a Columbia Valley Administration, which would absorb the functions of the principal Federal water project construction agencies in that area and constitute a single administrative agency for carrying out the water resources development. The committee is carefully studying the CVA bill and is agreed that it will complete its consideration as soon as it can hold adequate field hearings and thoroughly weigh the relative merits of all possible methods of administration for this large undertaking.

I continue reading from the report:

The recommendations of the committee with respect to the Columbia River Basin are (a) approval of the authorizations passed by the House amounting to \$108,000,000 for work to be accomplished by the Corps of Engineers, (b) additional authorizations in the total amount of \$142,000,000 to cover appropriations for a 3-year period for certain specific projects to be accomplished by the Corps of Engineers.

Mr. President, if the Public Works Committee had not treated the Columbia River Basin in the best of faith, I do not know what other committee could do it. Notwithstanding the merits, and the sympathy I have for the idea the Senator is now advancing, I still think that so far as the next 3 years are concerned, the fact that the committee and the Senate have approved up to now \$142,000,000 additional is certainly treating the Columbia Valley, so far as the record is concerned, with all the respect and consideration possible. That does not mean to say, that on its merits, we are not for the amendment of the Senator from Wyoming which the Senator from Washington is now discussing, but we are not for it in connection with this particular bill. It might be necessary to bring it up in the proper way. I think we have done very well by the Senator from Washington.

Mr. MAGNUSON. Mr. President, I am sorry there has been a misunderstanding. It is true the Committee on Public Works put in the engineering projects, and the Senator listed them. I told the committee what they were for. But we are discussing in this amendment irrigation projects, and I am endeavoring to point out that we are in a dilemma. We cannot separate the two kinds of projects, because the two agencies have gotten together; they submitted this report, which includes many of the things the Senator read, indeed the bulk of them, and also includes all the irrigation projects. So, I do not know what other course can be pur-

sued. I would just as soon have this all in one committee.

Mr. CHAVEZ. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield?

Mr. MAGNUSON. I was just going to say that the action of the committee was to approve the engineering items which were read by the Senator.

Mr. CHAVEZ. That is correct. That is the only part over which the Committee on Public Works had jurisdiction.

Mr. MAGNUSON. Then the Committee on Public Works says, "The proposed appropriation for the Bureau of Reclamation which we are considering now is contingent upon the approval of the Committee on Interior and Insular Affairs."

Mr. CHAVEZ. Which is true. I agree to that. But if that is so, why not have the Committee on Interior and Insular Affairs report a bill to the Senate approving the things they have investigated? Why bring them in in connection with a flood control bill, irrespective of how much merit they may have?

I agree that irrigation is necessary, but I do not agree that the Committee on Interior and Insular Affairs have a thing to do with recommending the other kind of projects. Of course, any individual Senator has a right to advise the committee, but I do not think it is a sound method of legislation, under the processes of parliamentary procedure we now follow to have one committee which has jurisdiction over irrigation and reclamation being superseded. Neither the Senator from Wyoming nor the Senator from Washington is stronger for reclamation in the Western States than I am, but it should be handled in an orderly way, and if the projects are so good, why not provide for them in a proper bill? If that is done, I will vote for it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield, but I merely wanted to point out our problem.

Mr. CHAVEZ. It is a problem.

Mr. O'MAHONEY. Mr. President, it seems to me there can be an understanding among the committees of the Senate and the Members of the Senate, as there has been between the Army Engineers and the Bureau of Reclamation. I have been very much interested in the discussion which has been proceeding between the Senator from Washington and the Senator from New Mexico.

I happened to open the report of the hearings before the Committee on Public Works on the pending bill, and casually, at the very spot at which I opened it I found this statement under the heading "Columbia River Basin":

Senator SPARKMAN. With reference to the Columbia River Basin, we have had considerable testimony already from both the Army engineers and from the Bureau of Reclamation.

Then he proceeded. I had scarcely read that when I heard the Senator from New Mexico reading from the report which he filed with the Senate upon the



pending bill. I find on page 67 of the report this language:

The bill as passed by the House includes several projects which form parts of the coordinated comprehensive plan for the Columbia River Basin completed earlier in the year by the Corps of Engineers and the Bureau of Reclamation in cooperation with other Federal agencies and State and local agencies.

Then it proceeds, confirming the statement previously read that there was testimony before the Committee on Public Works about the subject.

Then we come to the report of the Daily Digest of the CONGRESSIONAL RECORD, October 6, 1949, at page D681, to the statement which the Senator from Washington has read:

Before taking this action, the committee rejected an amendment proposing a comprehensive plan for the Columbia River Basin project, but adopted amendments to authorize the construction of individual projects and the appropriations therefor, totaling \$250,000,000 to the Corps of Engineers and \$175,000,000 for the Bureau of Reclamation.

Then in parentheses comes the statement:

(The proposed appropriation for the Bureau of Reclamation is contingent on approval by the Committee on Interior and Insular Affairs.)

The matter came to our committee by reason of the suggestion which was made in the Public Works Committee by a Member of this body, who is a member of both committees, the junior Senator from Utah [Mr. WATKINS]. He suggested—and this we agreed to on the floor yesterday—that since these projects dealt with reclamation, the matter should be considered by the Committee on Interior and Insular Affairs. Up to that time, Mr. President, the chairman of the Committee on Interior and Insular Affairs had given no attention to the matter at all. But then, after the report of the Public Works Committee had been filed, the chairman of the Public Works Committee and the Senator from Wyoming had their colloquy upon the floor of the Senate on the 7th of October last, and certainly I came away with the feeling that the statement in the Daily Digest of the RECORD, October 6, 1949 represented the general understanding, namely, that there would be no objection to the submission by the Committee on Interior and Insular Affairs of its judgment upon the very self-same reclamation projects concerning which evidence and testimony had been taken in the Public Works Committee. So, here we are now discussing amendments affecting reclamation and not flood control.

Mr. CHAVEZ. That is correct.

Mr. O'MAHONEY. And one power project, the Hell's Canyon project, which by the comprehensive plan between the two agencies was assigned to the Bureau of Reclamation for construction. I confess I can see no reason why on a matter of jurisdiction there should be any objection upon the part of any member of the Committee on Public Works to the consideration by the Committee on Interior and Insular Affairs of this mat-

ter. The Committee on Public Works performed a very courteous act in saying "We will defer on the question of reclamation to the committee which has jurisdiction of it."

Mr. CHAVEZ. Yes.

Mr. O'MAHONEY. It was in that spirit that it was accepted. I will say to the Senator from Washington that without a question there is no greater friend of reclamation in the Senate than the senior Senator from New Mexico. During all the years in which I have served with him I have found him, in the Appropriations Committee and on the floor, supporting sound reclamation projects, and I trust that in the desire to secure speedy action and to preserve the unity of the Columbia Basin development, we may have his support with respect to the reclamation projects which are now offered.

Mr. CHAVEZ. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. Yes; I yield.

Mr. CHAVEZ. I feel like quoting the senior Senator from Colorado [Mr. JOHNSON] who spoke of his grandmother. The Senator from Colorado said, "My grandmother told me to beware of many occasions."

Mr. O'MAHONEY. I am sure the Senator from New Mexico was not advised to beware of the Senator from Wyoming.

Mr. CHAVEZ. I am sure I was not; but simply to beware. Nevertheless, everything the Senator from Wyoming has stated as to the understanding between the Senator from Wyoming and the Senator from New Mexico is correct. He made only one error: He quoted the Digest as having stated that the Committee on Public Works has approved irrigation projects on the bill we are now discussing.

Mr. MAGNUSON. No; it does not say that.

Mr. CHAVEZ. I so understood it.

Mr. MAGNUSON. No; the Senator from Wyoming quoted it correctly. It merely said the Committee on Public Works had approved the engineering projects. Then he read:

The proposed appropriation for the Bureau of Reclamation is contingent on approval by the Committee on Interior and Insular Affairs.

Mr. CHAVEZ. Very well. I will stand on that. With respect to irrigation, the only part the Committee on Public Works plays is when the project is a multiple-purpose project. Aside from that, our committee has nothing to do with irrigation and reclamation. I am for irrigation and reclamation. Nevertheless, so far as the functions of the committee are concerned, they are limited to certain jurisdictions. If the project is a multiple-purpose project, and power or flood control or navigation are more important than the irrigation features, the measure comes to the Public Works Committee. That is the only time we have any jurisdiction over the matter.

After the Senator from Utah suggested that the projects which are being discussed now under the amendment of the Senator from Wyoming did not belong to our committee, I said, "Very well.

Let them go to the committee to which they do belong." I agreed to that. But simply because I agreed that they should go to the committee which has jurisdiction over consideration of such matters, does not mean that after that committee makes a decision, and notwithstanding I might think the decision is beneficial, good, and sound, the projects in question amounting to \$600,000,000, about which this committee has heard nothing, should be contained in an amendment to a flood-control bill. That is the only objection I have to the amendment.

Mr. MAGNUSON. I want to say to the Senator that I entirely agree. I think he has stated the facts correctly. I think the Senator from Wyoming stated them correctly.

Mr. CHAVEZ. That is true.

Mr. MAGNUSON. I am in between two areas of correctness. It is true that the committee of which the Senator from New Mexico is chairman deals primarily with flood control, and in the past, if a multiple-purpose project was brought before the Senate and the bulk of it related to power or flood control, it went to his committee. If the bulk of it related to reclamation it went to the other committee. That is the way the Corps of Army Engineers and the Bureau of Reclamation had divided up all those projects in the Columbia Basin until 4 or 5 years ago. Then it was decided by all the minds that knew something about the subject and had an interest in a comprehensive development and agreed that there should be a joint comprehensive plan, because it had become increasingly difficult to separate power and revenue from power, from irrigation and reclamation and payments by water users. So both interests got together. That was easy on the House side, because the same committee handles all the projects. But when it came to the Senate, and when we projected a portion of that plan, we found that there were in the plan some irrigation projects and some power projects, projects which are handled by different committees, so the situation on the Senate side was not so easy as on the House side.

Mr. CHAVEZ. Mr. President—

Mr. MAGNUSON. Permit me to finish please. We cannot come in with a bill dealing with irrigation projects and a bill dealing with flood-control projects, and have each bill take its separate course, because the plan to develop the Columbia River is a unified one.

Mr. CHAVEZ. A plan can be brought in which will unify both systems.

Mr. MAGNUSON. That is what we have here.

Mr. CHAVEZ. The bill we have before us now is nothing but a flood-control and navigation and rivers and harbors bill. It has nothing to do with comprehensive plans of any kind whatsoever. If the Senator from Washington—

Mr. MAGNUSON. Excuse me. The Committee on Public Works has approved what is being done.

Mr. CHAVEZ. If the Senator from Washington will bring forward a bill unifying and carrying out the comprehensive plan by itself, very well. We should

not undertake to do it by an amendment to a flood-control bill. Let a bill be brought in which will do what the Senator from Washington wants done, and the Senator from New Mexico will support it.

Mr. MAGNUSON. To what committee would that plan be referred? It would have to be referred jointly to the Committee on Interior and Insular Affairs and to the Committee on Public Works.

Mr. CHAVEZ. I do not think so.

Mr. MAGNUSON. Because it includes some irrigation projects, some flood-control projects, some navigation projects, and some power projects. In such case, I would be in the same position that I am in now.

Mr. CHAVEZ. So long as it was considered by the Committee on Interior and Insular Affairs, why not have it considered by that committee again? We will not object to that.

Mr. MAGNUSON. I do not wish to get myself again in the same position that I am in now. If I offered a comprehensive plan for the development of the Columbia River, a plan providing for the development of 5,000,000 or 6,000,000 kilowatts of power, and if that measure were referred to the Committee on Interior and Insular Affairs, I am afraid some of the technicians on the Committee on Public Works would object.

Mr. CHAVEZ. I do not know about that, not if a separate bill were introduced.

Mr. MAGNUSON. That is what this is. The Senator from New Mexico mentioned the Columbia and the CVA. I hope it is clear in the minds of all Senators that this matter has nothing to do with that. The Columbia River development is connected with CVA, of course—

Mr. CHAVEZ. But it might have something to do with it.

Mr. MAGNUSON. But this bill has nothing to do directly with the CVA. CVA relates to management. This measure provides the structure—the bricks and the mortar—for the development of power and reclamation.

Mr. CHAVEZ. And we are in favor of authorizing, and in connection with the request of the Senator from Washington have provided, \$142,000,000 more than the House authorized for that very purpose.

Mr. MAGNUSON. I appreciate that.

Mr. CHAVEZ. Nevertheless, under an amendment coming from another committee, there is still a request for an additional \$600,000,000.

Mr. MAGNUSON. No; the request is for a little more than \$200,000,000, to be made available over a period of time for projects which will be self-liquidating. So the money will be paid back.

Mr. CHAVEZ. I think that is fine, but not as a part of this bill.

Mr. MAGNUSON. I should like to ask the Senator a question before he takes his seat. If tomorrow, after we conclude action on the rivers and harbors bill, I were to introduce a bill based on the 308 report, to what committee would it be referred? It would have to be referred

to both committees, and then we would be in the same position we are in now.

Mr. CHAVEZ. That would be the responsibility of the then Presiding Officer. The committee to which the measure was referred could hold hearings and could learn what the measure was about. That is all right. However, our committee cannot favor any bill about which it knows nothing. I think it is only fair to the Senate that we take that position.

Mr. MAGNUSON. The Senator from New Mexico knows that long hearings were held before his committee.

Mr. CHAVEZ. That is correct; but the conclusions reached as a result of those hearings, insofar as they pertain to this particular amendment, were adverse to what the Senator from Washington now is suggesting.

Mr. MAGNUSON. Except as to the engineering projects.

Mr. CHAVEZ. That is correct; we approved the engineering projects.

Mr. MAGNUSON. And the approval of the Bureau of Reclamation was contingent upon committee approval.

Mr. CHAVEZ. That is correct.

Mr. MAGNUSON. And the other committee approved it.

Mr. CHAVEZ. That is correct, but our committee did not approve it.

Mr. MAGNUSON. This is the only amendment now at the desk on which hearings have been held before the committee. The committee discussed this matter, including the irrigation projects, at great length. Those matters were discussed and testimony about them was heard by the Committee on Public Works.

Mr. CHAVEZ. That is correct.

Mr. MAGNUSON. The Committee on Interior and Insular Affairs did not discuss the rivers and harbors projects, but the Committee on Public Works heard testimony on both, because there was a comprehensive plan which involved all these matters.

I wish to say to the Senator that even in this case, several of these projects have, to some degree, a multi-purpose nature. They are mainly irrigation and reclamation projects, with the exception of the Hells Canyon project.

Mr. CHAVEZ. That being the case, the bill should have been considered by the Committee on Interior and Insular Affairs, and should have been approved by that committee. Why have the Committee on Public Works approve it, when the projects are mainly irrigation and reclamation?

Mr. MAGNUSON. We are talking about these projects, but the Senator's committee approved the Corps of Engineers' projects.

Mr. CHAVEZ. We certainly did; we had authority to do so.

Mr. MAGNUSON. Let me ask the Senator this question: If I were to introduce a bill covering the comprehensive plan which the Army engineers, the Bureau of Reclamation, the President of the United States, the Bureau of the Budget, every Senator from the Pacific Northwest, and every Governor of the five States involved have agreed to—in fact, everyone concerned agrees to this plan—to what committee would the

measure be referred? It would have to be split up again between two committees.

Mr. CHAVEZ. Very well; let the Senator introduce the bill, and we shall decide that question when it is reached.

Mr. MAGNUSON. Everyone approves this measure. What harm will it do to the bill now before the Senate to add the amendment which is based on the comprehensive report, inasmuch as everyone from the President on down, including the Governors of the States concerned, the Senators from those States, the Bureau of the Budget, and all others concerned, have approved it, and inasmuch as the President has sent to the Congress a special message on the subject? I do not see how it will hurt the rivers and harbors bill, because the situation in that section of the country is peculiar, and it is hard for us to separate the two kinds of projects.

Mr. CHAVEZ. Mr. President, probably I feel a little differently about the administrative end of the Government than does the Senator from Washington. I still believe in parliamentary government. I still believe in standing committees. I still believe in the dignity of the United States Senate.

So far as the Senator from New Mexico is concerned, as long as he heads the Public Works Committee he is not going to permit anyone in the Government, outside the Senate of the United States, to override any action taken by the committee. Any time a standing committee is overridden by the methods which now are attempted to be employed in this case, I think free government or parliamentary government is endangered. I still believe in the Congress of the United States. I still think it is part of our Government. I think it is just as important as the judiciary or even the administrative end of the Government.

Mr. MAGNUSON. Mr. President, I do not think the Senator from New Mexico means to say that this measure is an attempt to override any committee.

Mr. CHAVEZ. Oh, yes.

Mr. MAGNUSON. Then I ask the Senator for a suggestion. We are trying to develop our area under a combined report, under a combined approach, which includes both power, reclamation, flood-control, and navigation projects, because that is the only way we can develop it.

Mr. CHAVEZ. Then why does not the Senator introduce a separate bill for that purpose?

Mr. MAGNUSON. It happens that this measure relates to matters subject to the jurisdiction of two Senate committees. If this measure were before the House of Representatives, the situation in that respect would be different. I am simply submitting an amendment to the Senator's bill. I think I have a perfect right to do so, under the system of free government and parliamentary government which we have.

Mr. CHAVEZ. That is correct; no one is objecting to that at all.

Mr. MAGNUSON. I ask the Senator why he cannot accept this amendment, because it includes a comprehensive, combined approach by the Corps of Engineers and the Bureau of Reclamation



and all others, including the Bureau of the Budget, who are responsible for the administration of this matter, as it relates to the Columbia Basin. That is all we seek to do.

Mr. CHAVEZ. With the names the Senator from Washington has just mentioned, it is not very impressive, at least not at the moment.

Mr. MAGNUSON. I am not trying to impress anyone. I am merely saying that I have appeared many times before the Senator's committee, and have been asked, "Do you have the approval of the Bureau of the Budget?" Of course, many times that matter works in reverse.

Mr. CHAVEZ. Oh, no.

Mr. MAGNUSON. So I had the Bureau of the Budget look at this matter for a long time, and a great deal of hard work was required in that connection. The Bureau of the Budget made a thorough examination; and the Bureau of the Budget is rather tough in regard to these projects, because it has been trying to balance the budget. However, after the Bureau of the Budget examined this project, it not only thought the project was feasible, but recommended it, despite the fact that the Bureau of the Budget has recommended very few projects in the last year, because it has been trying to balance the budget.

Mr. CHAVEZ. Nevertheless, I shall not permit the Bureau of the Budget to come in at the last moment, in regard to a bill which has been introduced in the Senate, and say to us, "Now you can do it." I still want the Senate to have jurisdiction.

Mr. MAGNUSON. I remember the comprehensive project which was before the committee; and at that time the Bureau of the Budget was working on it. The Senator was very courteous, and he made plain to me that if the project had merit, it would stand on its own merits, regardless of the recommendations of the Bureau of the Budget.

Mr. CHAVEZ. Yes, regardless of that. I do not think the Bureau of the Budget has any legislative power whatever.

Mr. MAGNUSON. That is true, of course; but this comprehensive plan was approved by the Bureau of the Budget. In seeking the approval of the Bureau of the Budget, we were not attempting in any way to circumvent the Committee on Public Works. The situation merely is that the problem which we face in this respect is one in connection with which we cannot separate our projects.

Mr. CHAVEZ. I am most sympathetic to the Senator from Washington.

Mr. MAGNUSON. I do not know what else we can do.

Mr. CHAVEZ. Mr. President, I am most sympathetic to the Senator from Washington, and I wish to help him. I might be mistaken in my approach to solving the problem. However, I am thinking now of this body. I am thinking now of our American form of government. I am thinking now of trying to do things in the proper way. Notwithstanding that I am sympathetic and listen favorably to the presentation by the Senator from Washington, I do

not think the way suggested is the correct way, namely to come forward at the last moment and request favorable action, merely because the Bureau of the Budget or someone else, appearing before the committee which has jurisdiction of this particular bill, has said, "All right; let us go." In connection with the principle I am advocating, I am not referring to my particular committee, except in this one instance, for certainly the principle applies in respect to every committee of the Congress. If any administrative agency attempts to say to a congressional committee, "You must give this measure the green light, because we approve," I object.

Mr. MAGNUSON. Mr. President, I do not think it can be said that I have come forward with this matter at the last minute.

Mr. CHAVEZ. The Senator from Washington certainly has.

Mr. MAGNUSON. I have been struggling for the last year before the Senator's committee.

Mr. CHAVEZ. Yes; there is no question about that.

Mr. MAGNUSON. I have had this matter before the Committee on Interior and Insular Affairs and before the Bureau of Reclamation; and the Senator—

Mr. CHAVEZ. When did the Senator ask the Bureau of the Budget for approval of it?

Mr. MAGNUSON. Last year.

Mr. CHAVEZ. However, our committee did not have any hearings on it at all; but now, all of a sudden, the Bureau of the Budget says, "All right," so the Senator from Washington says, "Let us go ahead," although the committee has not acted on it in any way whatever.

Mr. MAGNUSON. No; I suggested last fall, on many occasions, that the Bureau of the Budget approve it. This is not a last-minute approach. This matter has been before the Congress for a long time.

Mr. CHAVEZ. This matter is not a last-minute presentation insofar as the Senator from Washington is concerned, for I know he has been working on it for many years. He has been before our committee making fine representations. He has been trying as hard as he could, and I am sympathetic toward his efforts, and I honor him for them. I know he is trying to do the proper thing. Nevertheless, I still insist that so far as the Committee on Public Works is concerned, we do not know very much about this matter, except that it received the approval of the Bureau of the Budget when it got good and ready to give its approval; and now it says, "Go ahead; now we will let you do it."

Mr. DOUGLAS. Mr. President, will the Senator yield, to permit me to ask a question?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Illinois?

Mr. MAGNUSON. In a moment.

First, Mr. President, I wish to say that all of us know a great deal about this matter. There are many pages of testimony about it, not only about the proj-

ects included in this amendment, but about the basin account. Voluminous testimony about this matter has been taken before both committees. Everyone concerned knows about it. It has been before the Committee on Public Works, and it has been discussed there; and an amendment on the subject was submitted. There were witnesses from the Bureau of Reclamation and witnesses from the Corps of Engineers of the Army. All the witnesses approved the entire plan.

Mr. DOUGLAS. Mr. President, will the Senator yield to me at this time?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Let me ask the able senior Senator from Washington if it is true that, although some 10 or 12 minor projects are included in this combined plan, the costs of which range between \$1,000,000 and \$5,000,000 each, yet the major expenditures contemplated are in connection with two projects: First, the Mountain Home project, with a total estimated construction cost of \$253,000,000; and, second, the so-called Hells Canyon project, with total estimated construction costs of approximately \$334,000,000? Is it not true that the overwhelming proportion of the expenditure is on these two projects?

Mr. MAGNUSON. That is correct. The Senator will see from the map that the projects recommended by the Bureau of Reclamation are within the red dots, and they are all in green. They are relatively small projects, such as, in the State of Montana, the Bitterroot Valley project, the Council project in Idaho, the Mann Creek project and Crooked River project in Oregon, The Dalles, and Okanogan. In fact, there is not a single project in my State involved in this matter, which shows somewhat the unity of the five States and the necessity of developing the whole area. It is true, I may say to the Senator, that there are two small projects in Washington; but the ones that make up the large sum which the Senator suggests are both in the State of Idaho. One is the Mountain Home project, shown on the map; the other is Hells Canyon. When this matter was before the Bureau of the Budget, respecting the Mountain Home project, the Budget suggested that the cost per acre might be too great, and suggested a further review of the Mountain Home project.

Mr. CHAVEZ. But, nevertheless, the amendment carries that project.

Mr. MAGNUSON. I was about to say that. So, when the matter came before the Committee on Interior and Insular Affairs, the Senators from Idaho and other Senators who were interested suggested that the committee should abide by that suggestion. The committee authorized the project. I had nothing to do with it. The committee authorized it with a proviso that no money should be spent on it. I do not have the wording. Perhaps the Senator has it.

Mr. CHAVEZ. I have the wording. If the Senator will yield, I will read from the report.

Mr. MAGNUSON. Is it relative to the Mountain Home project?

Mr. CHAVEZ. It is relative to the Mountain Home project. I read from the report of the Committee on Interior and Insular Affairs, at page 4, near the bottom of the page:

The projects recommended for authorization at this time without any limitation will repay \$384,000,000, or 93 percent of their total estimated cost of \$412,700,000; the non-reimbursable portion is almost solely for improvements to navigation and flood control. One project, the Payette unit of the Mountain Home project, is recommended to be authorized with certain irrigation features delayed until further reports and recommendations are made to the Congress. Evidence at this time indicates that, even with those features included, reimbursements to the Federal Government will total \$586,000,000.

But nevertheless, it is authorized, notwithstanding the fact that the Bureau of the Budget opposed it.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Is it not true that the Hells Canyon project has two primary purposes: First, the development of 800,000 kilowatts of power; and second, the operation of a reservoir of 4,400,000 acre-feet capacity?

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. And is it not also true that it is confidently believed that the cost of construction can be repaid, with interest, out of the power revenues from this project?

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. I have been able to give this matter some study, and I find myself in agreement on the Hells Canyon project, but I find myself very dubious of the Mountain Home project, and I should like to find out whether my views are correct. I am informed that the total construction cost is \$253,000,000.

Mr. MAGNUSON. I accept the figure, if it is from the Reclamation Bureau. I do not recall it. The Senator from Idaho is here. I should like to ask him to answer questions regarding the costs. I do not recall the detailed figures. The Senator from Idaho must have them.

Mr. DOUGLAS. Four-fifths of the project is to be used, not so much for power as for irrigation. The total amount of power to be developed anywhere, I believe, is only 120,000 kilowatts.

Mr. MAGNUSON. Very little power is to be developed in the Mountain Home project.

Mr. DOUGLAS. There is 60,000 in reserve, but only 120,000 to begin with.

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. And on the basis of the cost accounting figures, with the total cost of \$253,000,000, almost \$200,000,000 is the amount which would be allocated to irrigation, and \$49,000,000 to power. But in practice, the water users are going to be charged only with \$22,500,000, and therefore \$177,000,000 more of water costs will be charged to the power users. In other words, we have here a subsidy of irrigation to the extent of \$177,000,000, loaded upon the power users of the Northwest. In view

of the fact that under our farm program we are retiring land from circulation and reducing the amount of land put into cultivation, I find it difficult to justify irrigating 192,000 more acres of desert land in the Boise Valley, which I understand is the purpose of the Mountain Home project, particularly when that will constitute an added burden upon the power users of the Northwest.

Mr. MAGNUSON. I shall not discuss the merits of the Mountain Home project with the Senator from Illinois, but I want to make clear and discuss further that although the reimbursable amount allocated to power from the Columbia Basin account is a great deal in the case of Mountain Home, which is the project about which there is much discussion and controversy, the Senator's statement that this would raise the power revenues—

Mr. DOUGLAS. No; but it would add to the burden.

Mr. MAGNUSON. I mean it would raise the cost of the power.

Mr. DOUGLAS. Yes.

Mr. MAGNUSON. I am somewhat of a power expert, but not in the same class as Raver and those who handle our power pool. My information is that even though the basin account will be tapped, as it were, for some of the power revenue, there is but one way to keep a uniform rate. As the dams are built, they are built at different costs. The only way it is possible to keep a uniformly low rate is to have the basin account, even though a portion of it is used for irrigation purposes.

The reason for the basin account, according to the testimony of all those who are in control of the power rates, is that without the basin account it will probably be necessary to raise rates in certain instances, at certain places, but with the basin account, even though it is tapped for irrigation and power revenues, it is possible to maintain a uniform rate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I should like to have the Senator from Idaho answer the Senator's question.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Idaho, for the purpose of answering the questions of the Senator from Illinois.

Mr. DWORSHAK. Mr. President, I can well understand the apprehension of the Senator from Illinois concerning the proposal to authorize the Mountain Home project, involving as it does a subsidy from revenues derived from power plants at Scriver Creek, on the Payette River, in Idaho, and at Hells Canyon Dam, on the Snake River, practically all the water for which would be furnished by the State of Idaho.

I preface my reply by saying this is no innovation so far as reclamation and power development are concerned on the Mountain Home project. There are approximately 1,000,000 acres of land in the lower Columbia Basin, in the central part of the State of Washington, as to which Secretary Ickes, in August 1945, determined that the water users would be able to repay only about \$85 per acre

as the direct reimbursable charge for irrigation; that the water users likewise would be required to assume about \$37 of the power costs. Thus there would probably be between \$400 and \$500 subsidy per acre for the 1,000,000 acres of land to be developed in central Washington, to come from the excess power revenues derived from the operation of facilities at the Grand Coulee Dam.

Mr. President, referring to the Mountain Home project, I should like to point out that that project is contingent upon the building of Hells Canyon. The record shows that the Hells Canyon development, which is primarily for power, will generate upward of 1,000,000 kilowatts, as I recall, and that, from the revenue derived from the sale of that power, even at the low rate of \$17.50 per kilowatt year—which is currently charged by the Bonneville Power Administration throughout the Northwest—the Hells Canyon project will not only pay for its own construction but will furnish approximately \$300,000,000 of revenue, which could be used to subsidize reclamation development in the upper basin. The O'Mahoney amendment approves five power features of the Mountain Home project, involving upper Scriver Creek, lower Scriver Creek, Smiths Ferry Dam, Smiths Ferry-Scriver Creek Tunnel, Scriver Creek Dam and Reservoir. These constitute the essential power phases of the Mountain Home development, and they would not only pay for themselves, but would furnish approximately \$45,000,000 of additional power revenues. With a combination of Hells Canyon Dam and the power features of Mountain Home, there would be available approximately \$347,000,000, which would be available to subsidize the irrigation development of land in connection with the Mountain Home project.

Mr. DOUGLAS. Mr. President, will the Senator permit me to make a statement in reply to that?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. I can well understand that it would be impossible to have the Mountain Home project without having the Hells Canyon project to pay the bills, because 90 percent of the irrigation benefits of Mountain Home would be charged to Hells Canyon.

So, of course, we must have Hells Canyon in order to carry Mountain Home. But my point is that we do not have to have Mountain Home in order to put Hells Canyon into effect. That can stand on its own feet. I wonder if it is proper to charge Hells Canyon with the heavy burden of Mountain Home, in order to irrigate more land, when the national land policy is to withdraw land from circulation, rather than to add more land for cultivation.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. If the Senator from Illinois should apply that yardstick to 1,000,000 acres of land in Washington, there would be no irrigation development there, because I question whether a single acre of land could justify its development if reimbursability were to depend entirely upon the ability of the water user to pay for the investment.



Mr. DOUGLAS. Mr. President, will the Senator yield in order that I may reply?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. I was not in the Senate when the central Washington project was approved. I do not know whether it was sound but, even if matters were as the Senator has stated, or even if the project were unsound, should we compound unsoundness by adding one unsound project to another? I do not want to disturb the happy harmony existing among the four Northwestern States, but I should like to ask my good friend from Washington if he cannot consider splitting this project and dropping Mountain Home while carrying on Hells Canyon. The latter, I think, is a perfectly defensible project.

I can see the pained look that spreads over the face of my good friend from Idaho, but I am wondering if that is not perhaps the best thing to do.

Mr. MAGNUSON. The formula of having power pay a part of the cost of reclamation projects is not new, but in reclamation a point is reached where the cost per acre looks as if it might not be justifiable. It so happens, in all fairness, that Mountain Home was one of the disputed projects, but Hells Canyon and Mountain Home projects together look like sound projects, and repayment will be feasible. The Columbia Basin in the State of Washington is a sound project. We are away ahead of our repayment schedule, and all these other projects will be away ahead. I am not a member of the Committee on Interior and Insular Affairs. I can see that I have probably made a mistake. I should have been a member of the Committee on Interior and Insular Affairs and of the Committee on Public Works. I am entitled to membership on two committees. The amendment as submitted to the Committee on Interior and Insular Affairs does not include Mountain Home—

Mr. DOUGLAS. I congratulate the Senator from Washington.

Mr. MAGNUSON. The Committee on Interior and Insular Affairs put in my amendment with a certain reservation and restriction. I cannot accept any deletions, because I am not a member of either committee.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I should like to point out to the Senator from Illinois that only the power features of Mountain Home projects are authorized in this amendment, with the proviso that the other features shall await development "until the Secretary of the Interior, with the approval of the President, has submitted to the Congress a supplemental report and finding of feasibility under the provisions of the Federal reclamation laws, taking into consideration the participation of this project in the Columbia Basin account."

So I stress the point that there is no authorization for the reclamation features of Mountain Home in the current bill, but that it is contingent upon future determination of feasibility by the Secretary of the Interior.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. While there is no authorization for reclamation projects, nevertheless, if the Mountain Home project is approved or if the Hells Canyon project is approved, and we carry on the idea of subsidies, there will be eight projects which have one single purpose, which is irrigation, and they will be subsidized. Is not that correct?

Mr. MAGNUSON. The Senator is correct. That would be the case without Hells Canyon.

Mr. CHAVEZ. There are eight projects which provide only for irrigation and for no power possibilities whatsoever.

Mr. MAGNUSON. I do not know whether there are eight of them.

Mr. CHAVEZ. According to the report, there are eight of them.

Mr. MAGNUSON. There are probably eight.

Mr. CHAVEZ. The report shows eight.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Mr. President, as I take it, the Senator from Idaho is saying that it is all right to go ahead with the Mountain Home project because we are merely making a tentative authorization, and we can pull back at any time. As a boy I used to read Victorian novels, somewhat trashy novels, which sought to depict a virtuous maiden led astray by men who wished her ill. I would say that the Senator from Idaho is holding to the beautiful lips of the maiden, Financial Solvency, a cup of the drugged wine of authorization, which, if it is quaffed, will result in the taxpayers' money, to the extent of \$253,000,000 going down the drain pipe. I know the Senator from Idaho may plead that the first drink does not matter, but the first drink of drugged wine does matter. I hope he will help to save this beautiful maiden—

Mr. MAGNUSON. The Senator from Illinois has the maiden in the wrong place. The Senator says a certain amount of money is going down the drain pipe. That is not correct. He is anticipating that the money might be there. It can only be there when we build the Hells Canyon project. When we take the whole thing together, the taxpayers' money is not going down the drain pipe.

Mr. DOUGLAS. Lower power costs in the Northwest will permit a greater development of industry in the Northwest.

Mr. MAGNUSON. If we had Hells Canyon to go into the power pool, that would be correct.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I should like to point out, for the information of the Senator from Illinois, that those who advocate development of the Mountain Home project, involving subsidies for reclamation, are thoroughly aware of the fact that the project could not be defended unless it were tied to the Hells Canyon development. All the water which would be utilized to fill the Hells Canyon Dam flows through southern

Idaho for several hundreds of miles. So it is not illogical to contend that if Hells Canyon Dam is to be supplied with water draining the southern half of Idaho to provide revenue with which to help to finance the development of reclamation projects in Idaho; it is a defensible proposition.

Mr. DOUGLAS. I may say to my good friend from Idaho that when I was a boy on the farm we had a very strong farm horse that carried heavy loads, but I never thought it was treating the farm horse particularly well to burden him with such crushing loads as might break his back. It seems to me the Hells Canyon project is a good project, but why load \$250,000,000 worth of Mountain Home on top of it? I take it the Senator is aware of the fact that the Bureau of the Budget reported on Mountain Home in a letter of February 1. I read from page 31 of the O'Mahoney report, as follows:

Authorization of all irrigation projects would be in accord with the program of the President with the exception of the Mountain Home project.

So it is obvious that the Office of the President has objected to the Mountain Home project. I am wondering if we cannot separate the good from the bad by approving Hells Canyon and knocking out Mountain Home, saving the taxpayers of the country—and the people of Illinois are taxpayers, too, a large sum of money. We want the Northwest to flourish, but we do not want to see uneconomic projects developed. So, I am wondering if we cannot knock out the Mountain Home project. I appeal to the Senators from that region to do so.

Mr. MAGNUSON. The Senator is partially correct. The taxpayers of Illinois will not be hurt at all, and if we build the Hells Canyon project the Federal Treasury will receive a little more money.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. As the Senator will probably recall, both the bill recommended by the committee and the bill which the Senator from Oregon expects to offer as a substitute have eliminated—

Mr. MAGNUSON. Have eliminated the Mountain Home project; yes.

Mr. CORDON. They have eliminated that portion of the Mountain Home project which provides for the irrigation features, to which the Bureau of the Budget took exception. There is only a conditional authorization, providing that the irrigation portion of the Mountain Home project will be authorized only if the Secretary of the Interior and the President, after a report from the President's Official Commission on Water Resources Policy, report feasibility with reference to that portion of the project. Both amendments carry that provision.

Mr. MAGNUSON. That is correct. What I wished to point out was that my original proposal for the Columbia River Basin did not include the Mountain Home project. The Bureau of the Budget had disapproved the Mountain Home project. The Committee on Interior and Insular Affairs, again taking

the original proposal, which had in it some portions of the Mountain Home project, together with these restrictions, put it in the bill. It was attached to the bill. I am now trying to get the situation cleared up because the bulk of the bill includes the basin account, which is so vital, in my opinion, to the whole northwestern area, as well as to these other projects. My position on the Mountain Home project is that I cannot accept an amendment to have it eliminated. The committee has acted on it with reservations. Of course, an amendment could be presented by the Senator from Illinois on that feature of the proposed amendment.

Mr. DOUGLAS and Mr. DWORSHAK addressed the Chair.

The PRESIDENT pro tempore. Does the Senator yield; and if so, to whom?

Mr. MAGNUSON. I yield first to the Senator from Illinois.

Mr. DOUGLAS. I send to the desk an amendment which is designed to do just what the Senator suggests. On page 2 of the O'Mahoney proposal, my amendment proposes to strike out lines 3 through 15, and thus to eliminate the Mountain Home project.

Mr. DWORSHAK. Mr. President, will the Senator from Washington yield on that point?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I should like to answer the Senator from Illinois. It has already been pointed out that by the proposed development of about a million acres of arid land in central Washington there will probably be a subsidy of about four or five hundred dollars, if not more, per acre. The Senator from Illinois has pointed out, as the RECORD shows, that the proposed development of the Hells Canyon Dam would yield probably three or four hundred million dollars of surplus revenue, which would be derived from the operation of its power facilities. Does the Senator contend that it is more reasonable to divert that power revenue to thousands of acres in central Washington than it is to use the same funds to subsidize reclamation in Idaho, which furnishes the water resources with which to operate the Hells Canyon power plant? I cannot see the justice of the position which is taken by the Senator from Illinois in wishing to divert revenue to central Washington for subsidy purposes, but to withhold it from the Mountain Home project.

Mr. DOUGLAS. Mr. President, may I reply to the Senator from Idaho?

Mr. MAGNUSON. I should like to reply first.

Mr. DOUGLAS. If I reply correctly, the Senator from Washington can back me up.

Mr. MAGNUSON. The Senator from Idaho knows, of course, that the revenue is not going to the State of Washington. It is going to all irrigation projects in the Columbia River Basin, including the State of Washington, which now has a separate project, Grand Coulee. I believe in the principle of having it go to all the areas in the five States, even down to Utah, if necessary, because I believe the development of the West is predicated upon the development of water for irrigation, power, and reclamation.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. I must reply to my good friend from Idaho on the point he has raised. I am not certain whether the 1934 policy of using power revenues from Grand Coulee for irrigation in central Washington was or was not correct. I was not a Member of the Senate when that decision was made. However, it was done, and it is my information that the extra cost of irrigating the land is borne by Grand Coulee, and that it will not be borne by Hells Canyon. Now we are faced with a question of fact regarding Hells Canyon and Mountain Home, and it has been developed that the subsidy from Hells Canyon to Mountain Home will be approximately \$180,000,000, at least. If that subsidy were not given, then either one of two things might happen: Either, first, the power rates all over the Northwest could be reduced—below what they otherwise will be—and a lower rate would result in further developing industry in the Northwest—or second, if the power rates are not reduced, a greater revenue would come to the Federal Government. Of course, I should be very happy to see these projects not merely pay for themselves but contribute net revenues to the Treasury, and thus help to reduce the national deficit.

I know that the Senator from Idaho shares my concern about the mounting Federal deficit, and that he would welcome such a windfall as this to the Federal Treasury, which would make our financial problems of the future much easier. Therefore it would seem that the Mountain Home project is not justified, although the Hells Canyon project, as I have repeatedly said, seems to be a very good one.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Florida.

Mr. HOLLAND. I am so strongly in accord with the position taken by the junior Senator from Illinois that I dislike even to attempt to add anything to what he has so ably said, but I do desire to call his attention, and the attention of the senior Senator from Washington, and the Senator from Idaho, to the fact that the Senator from Illinois has for once gotten his figures wrong. They are much smaller than the actual facts would justify, because, as a matter of fact, if he will look on page 17, where the Mountain Home project is broken down, he will find that the total reimbursable cost of the Mountain Home irrigation project out of power revenues is \$177,250,000, which, distributed over the 192,000 acres, which is what is involved, comes to about \$900 an acre of subsidy, instead of the four or five hundred dollars that was mentioned in an earlier report some years ago, at which time probably the cost factors were much different from what they are now. The figures in the report clearly show—and undoubtedly this was one of the reasons why the Bureau of the Budget took strongly the position it did take—that the subsidy would amount to about \$900 an acre if this project went through as it is included in the bill.

Mr. DWORSHAK. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Idaho.

Mr. DWORSHAK. I should like to point out that only a few weeks ago this august body approved a project development in central Arizona involving \$1,700 an acre of subsidy for irrigation.

Mr. DOUGLAS. And may I point out that I voted against that project.

Mr. WATKINS. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Utah.

Mr. WATKINS. I am very much interested in this discussion, because of the points of view which are presented. We now have the Senator from Illinois presenting the point of view that the Federal Government apparently should be in the business of making revenue from power, and also that the formula which has been followed, or which at least has been started, in the direction of making a river system self-supporting, with the revenue from the river system used to build the river system, is to be abandoned.

I point out that in the West the consumptive use of water is the most important use. The power is absolutely worthless if there is not water for a community, for industry, homes, and farms. In the West water is so highly regarded that it is made a crime to waste it. One is penalized if he is given the right to use water and does not use it. If he does not use it for 5 years, he is deprived of the use of it. So in the arid West—and the tendency has been strongly in this direction all the time—everything should be done to put to a beneficial use, under consumptive use projects, every drop of water that is feasible.

There are many irrigation projects in the West which, standing alone as little spots near a river, would not be at all feasible, and might cost \$500 an acre—and some have cost that much. Using the income which will come from the over-all development on the river, every one of the projects will be feasible; there will be people to use the power; and cities and towns will be developed, because the citizens will have the water for consumptive use.

As a westerner, I resent the idea that comes from so many people not from the West who say, "Well, you are getting subsidies for this and that, and you are increasing competition with other crops." I remind the Senate that this country is increasing its population by about 12,000,000 in 10 years, and we must have some long-range planning regarding the use of land in the United States. Most of the lands mentioned by the Senator from Illinois are marginal lands. They are not the kind of land found in the West, which, if water is turned onto them, will produce the most abundant crops in the world, and which for the most part are not competitive crops.

Looking over the period to come, as I have said, there will be a 12,000,000 population increase within each 10-year period, and we are going to need every bit of the development sought. It will be many years before these projects become productive, and if we do not go ahead



now, someone in the future will say, "Who was so blind in the past as not to plan for this increase in population?" There cannot be people there unless there are homes, and there cannot be homes unless water is made available for consumptive purposes.

I hope the Senator will read the speech I made yesterday on this very theme. One of the things I proposed in that speech was that the people living there who are going to repay, by their patronage, the costs either of the water or of the power should in the end have the control of these resources, and the resources should be used for the development of the area.

Power is not entitled to have any specific subsidy given to it either. It will receive a subsidy if the irrigation projects are not built, although the power, as I pointed out, would not be of great benefit unless the other irrigation projects are included. They go hand in hand. It is absolutely necessary to have the consumptive use of water along with the power development.

In the 1944 Flood Control Act Congress adopted a policy to give priority to consumptive uses over all other uses. That is the national policy.

Personally, I am in favor of the basin account idea. However, in the bill introduced by me I have substituted for the Federal Government or a Federal agency, an agency set up by the people in the area concerned. I insist that the resources of the areas should be used for the development of the areas. There is no sense, and it is not in accordance with sound American policies over the years, to say that the Federal Government ought to take over these remaining resources and make a profit out of them. That has not been done in the Middle West, and it has not been done in the East. All such resources in the Middle East and in the East have been developed under the private-enterprise system. It is not very consistent to go into the West and say, "You must build these projects so they will bring revenue to the Federal Government."

Mr. DOUGLAS. I may say to the Senator from Utah that I suggested two alternatives in the power rates from Hells Canyon: Either lower rates so that the users of the Northwest would pay only for Hells Canyon but not for Hells Canyon plus Mountain Home, or, if it were desired to maintain a higher rate, to make a net contribution to the Treasury out of the investment of the Federal Government. But I did not insist upon the second alternative. I would be perfectly willing to have the first alternative, and have power pay for Hells Canyon, but not to load Hells Canyon with the uneconomic project of Mountain Home. I do not see why we should have to take both together. We can instead take one without the other.

Mr. MAGNUSON. Unfortunately the word "subsidy" was used. There is no subsidy involved at all; there is no subsidy from the Government whatsoever. Even Mountain Home coupled with Hells Canyon represents nothing but a loan. The moneys furnished for all these projects are nothing but loans. I have stated again and again that we are far

ahead of our repayment schedule. In the Yakima Valley 2 years ago we celebrated the repayment of the first irrigation project loan in the United States, made on the Teton project. That loan has been paid off with interest. All the bonds have been paid off. The Federal Government has been paid back every dime it has loaned, and the project has contributed 20 times the loan in taxes and in developments in the project.

What we are now considering is a loan. It is not a subsidy. Of course, what the Senator from Illinois says is correct to this extent, that if we build Hells Canyon without Mountain Home it would mean that the revenues from Hells Canyon which would go into a basin account would help pay for all other irrigation projects. Nine hundred dollars is not a great deal of money per acre of irrigated land. In the West there are many pieces of land which are worth more than \$900 per acre irrigated. I know many places where I should like to be able to secure land for \$900 per acre irrigated.

I do not know too much about the Mountain Home project, that is as to the value of the land there. As I said, it was not contained in my original amendment. The committee included it. As the able Senator from Utah said, the people in our section of the country can take these various projects, lump them together, and have a comprehensive, effective development. The money received from the Hells Canyon project would not come back to the Treasury, and of course we would strongly oppose any suggestion that we should build dams in the West to make money for the Federal Government.

Mr. DOUGLAS. What happens to the interest earned on these Federal power projects in the West? Does that come back to the Federal Government or is it used for additional irrigation purposes?

Mr. MAGNUSON. It comes back to the Federal Government.

Mr. DOUGLAS. In the case of Hells Canyon, is the interest earned to be used to help develop additional irrigation projects, or does it come back to the Federal Government?

Mr. MAGNUSON. It comes back to the Treasury.

Mr. DOUGLAS. Is there any earmarking of the interest which is earned so that it shall only be used for added irrigation projects?

Mr. MAGNUSON. No; none whatsoever.

Mr. WATKINS. Mr. President, if I may have the attention of the Senator from Illinois, I should like to illustrate how cooperation is necessary to bring about the development of western streams. On an irrigation system there may be water users all the way up the valley from the head of the irrigation canal perhaps 25 or 50 miles to the end. It requires the cooperation of all these people for the entire distance in order to make the project feasible. Those on the upper end of the canal where the water is taken out of the stream probably would have very little expense, and they are helping to subsidize those at the lower end. But in order to have the development at all they must all get together and must pool their expenses and each

pay a share in order to bring about a successful project.

Let me point out also in connection with the problem the Senator from Florida has just mentioned, that there are projects in the eastern section of the United States on which subsidies are received. I have in mind one project in Florida which I visited only recently. It is a very clever project. I voted for the establishment of the project, and I believe in it. In Florida there is a lake named Okeechobee. The country there is flat. The lake is a fresh water lake. Many heavy winds come, which blow the water out of the lake, and over onto the flat land. So dikes have been built to keep the water in the lake. I found out concerning this project, that pumps are used to pump water off the land into the lake. So there has been built what is called a conservation system. In the West we call them reservoirs. The water as I said, is pumped behind the dikes and kept there. I noticed that the pumps were reversible. Drains are cut through the soil. I said "What do you do with the drains?" I was told that when the water gets low and the water table has descended to the point where crops do not grow quite so well, the gates are reversed and the pumps are reversed and the water is pumped out again through the drains. I said, "That is what we call irrigation". But they told me, we do not run the water over the surface of the land. They run it through the land, under the land. That is what we call sub-irrigation.

Mr. President, as I said, the people there do not pay for that project. The Federal Government puts up all the money for those projects. The local people spend some money on the farm lands, but there is no contract entered into to repay anything to the United States.

In the West we repay all that is loaned to us. We repay the principal and we pay interest. Personally I think the Florida project is a good one. I believe the Congress made a mistake in not appropriating the money to finish or to repair a dike which is in bad condition there, because a cyclone may come and blow the water out of the lake and onto the adjacent land and ruin the farms.

Mr. President, spread all over the United States there are irrigation and reclamation projects such as the project in Florida. I am not criticizing that project. But I am pointing out to the Senate that in Florida, and in other sections of the United States, outside the arid West, many subsidies are paid for similar projects, which benefit private individuals, on which no one pays anything back except through taxes. Every time a flood-control project is built on one of the big rivers water is being put back into the river and being kept in the river. Why? So the people up and down the banks of the river can operate their farms, so the lands will be worth something, so the cities will be habitable and business will be as good as ever, and continue to grow.

Mr. MAGNUSON. We are all for that.

Mr. WATKINS. We are all for that, and have been for years. But in the West we want to get the water out of the rivers on to the land, so it may be

put to a beneficial use. We have agreed to repay the principal of the money furnished for such projects. We do it and have been doing it.

Mr. MAGNUSON. Mr. President, I think it might be well at this point to place in the RECORD the Federal expenditures for water conservation and control projects from 1824 to 1948, inclusive, in the various parts of the country.

The upper Mississippi Valley States received \$124,000,000. The repayable investment is zero. Nonrepayable amount is \$124,000,000. Repayment is zero.

Lower Mississippi Valley States, \$362,000,000. The repayable investment is \$66,000,000. The nonrepayable amount is \$296,000,000. So the repayment schedule is 18 percent.

Eastern Seaboard States, which include Florida, \$96,000,000. The repayable amount to the Federal Government is \$7,000,000. Eighty-nine million dollars is nonrepayable. So they pay back 7 percent. We have a proposal here which guarantees repayment of more than 90 percent for the development of the areas.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. It seems to me that we have come a considerable distance from the Columbia Basin. First, I want to address my remarks to the Senator from Utah, whose help I have appreciated greatly in connection with the Florida flood-control program. I am glad he had the chance to observe that program in operation. I am sorry that he did not get a completely accurate idea of what is going on there. The only money the Federal Government has invested there up to this present program is for the building of the levees around Lake Okeechobee. The State of Florida and the local subdivisions of government have put up \$29,000,000 in connection with all the canals which the Senator saw, the pumping facilities, and the various other activities which he found there, and, in addition, many millions of dollars have been invested by the owners of the land.

I will say before leaving that point, that flood control there is the matter in which the Federal Government has been interested heretofore, and in which it is still interested. Flood control is a 100-percent Federal activity. We need flood control because in Florida 2,500 lives of American citizens have been lost; 300 lives were lost in one storm and 2,200 lives were lost in another storm. I am sure all Senators who visited that section of the country saw the places where those terrible and tragic losses of life occurred.

Twenty million dollars is all the Federal Government has ever invested up to the current program, and that is for the levees around Lake Okeechobee, whereas the amounts expended by the State and local governments and the local taxpayers greatly exceeded that sum.

With reference to the program now under way—and then I shall leave this project—let me say that the Corps of Engineers in working out the details of

the present program, in which the Senator from Utah has been so helpful, was very careful to break down the entire expenditures required, so as to show the expenditures required for flood control and navigation—of which the Federal Government, by well-established policy, pays 100 percent—and the expenditures required for the improvement of the lands. Insofar as Florida is concerned, we were required to pay 100 percent of all of that portion of the expenditures for the pending project which has to do with making possible better agricultural use of the land. Not one penny was given to us in that connection; but, to the contrary, as the Senator will remember, we are required to pay 18½ percent of the construction costs and all the maintenance costs thereafter, amounting to a total of about 38 percent of the entire cost of the project.

However, I think that is neither here nor there in regard to this matter.

As a member of the Committee on Public Works, I have tried to examine from the standpoint of the value of the project to the Nation as a whole, every project which has come before the committee. I believe the Senator will be agreeable to stating that is the case. I certainly have noted that attitude in connection with his own position.

In connection with this pending matter, I think the RECORD should show that a subsidy is involved in this particular program, in that it is proposed—and if I am incorrect, I hope the Senator from Washington or the Senator from Utah will correct me—under the amendment now being debated, that no interest shall be repaid during the long period of time in which the cost of the dam will be amortized; but, to the contrary, the Federal Government will be repaid the principal of its investment; and the interest—amounting to a tremendous sum of money, to more than \$1,000,000,000, I believe, in connection with the pending amendment—will be available in connection with certain reclamation projects.

Let me say that I have risen to make two points: first, that a subsidy is involved, and that it amounts to millions of dollars.

Mr. MAGNUSON. Mr. President, let me correct the Senator before he proceeds further.

Mr. HOLLAND. Very well.

Mr. MAGNUSON. Of course, the interest will be paid and should be paid on all power projects. Interest will not be paid on reclamation projects, because it never has been.

Mr. HOLLAND. But the interest on the power projects would be available to finance the reclamation projects.

Mr. MAGNUSON. It will be available only to the Treasury.

Mr. HOLLAND. It would be paid to the Treasury; but in the "Basin account" it would be shown as available for making payments on reclamation projects. Am I correct?

Mr. MAGNUSON. Yes, but only in the "Basin account."

Mr. HOLLAND. That is the point I am making.

Mr. MAGNUSON. Congress would have to pass on it.

Mr. HOLLAND. My second point is this: Perhaps that is sound policy. I am not prepared to say it is unsound. I have been studying, as has the Senator from Utah, the program for the Columbia Valley Administration; and already we have spent hundreds of hours in listening to testimony on it. No doubt that is one of the features which may be involved in the program. Regardless of whether it is involved in the program, or whether it is involved in this bill, still the question is whether it is a sound and proper program and founded on a proper philosophy.

It seems to me that before this program has been acted upon by the Public Works Committee, which has such a tremendous stake in this particular point, and which itself has helped to provide, by having approved, projects which later have been voted by the Congress for the construction of most of the power dams, the committee should have a chance to check into the desirability of such a program as a permanent policy on the part of the Nation.

It is for that reason that I object so strongly to this amendment, because it proposes to prejudge and to say in advance what shall be done on this point, although the proposition has not been subjected to the searching analysis which is required, and inasmuch as this program—regardless of whether we use the word "subsidy" in connection with it—involve the forgiveness of large amounts of Federal Government moneys for the creation of reclamation projects. Perhaps that will prove to be the proper and the sound national policy. If so, Senators will not find a regional view taken insofar as the Senator from Florida is concerned.

Let me call attention to the fact that three able Senators from the very area which is affected are themselves members of the Public Works Committee, namely, the Senator from Utah [Mr. WATKINS], who is a very valuable member of the committee; the Senator from Washington [Mr. CAIN], who I believe is the ranking minority member of the committee; and the Senator from Nevada [Mr. MALONE]. Certainly with three Senators from that area of the country on the committee, we may expect to get a fair representation there of what are regarded by the good people of that section of the country as being sound from their point of view and as serving their interests.

The only point I make at this stage, Mr. President—and I apologize to the Senator from Washington for having taken so much of his time—is that I think we are being asked to prejudge a matter which should be subjected to searching analysis because it involves a proposed new policy which, by and large, involves billions of dollars of Federal money; and it is proposed to tack it on to the pending omnibus flood-control and rivers-and-harbors bill as a rider which does not come from the committee which drew up the bill. On the contrary, it comes from another committee; and in this instance, it come in some respects, at least, adversely to the recommendations of the Bureau of the Budget, which recommended against inclusion at this



stage of the Mountain Home project, which is so expensive.

I apologize to the Senator. Certainly I want the Senator from Utah to understand that the Senator from Florida is not going to consider this matter as one which is of interest only to the northwestern region of the country. To the contrary, the Senator from Florida will consider this matter from a national viewpoint. He will consider it likewise from the viewpoint of giving the fullest recognition to the wishes and needs and desires and legitimate ambitions of the fine American people who live in that area.

Mr. MAGNUSON. Mr. President, when the Senator talks about subsidies, let me say this plan is not one calling for a subsidy from the Federal Government at all. The projects we are talking about—projects throughout the Nation, whether in Florida, Delaware, Illinois, or elsewhere—are projects for which we always vote. After all, Mr. President, what is flood control in Florida, flood control for which Florida pays nothing back? It is nothing but the reclaiming of land.

Mr. HOLLAND. Would the Senator regard the loss of 2,500 lives as having any direct relationship to the reclaiming of land?

Mr. MAGNUSON. Oh, yes; there is no question about that. But I say that for the chief part the purpose of flood-control projects is to reclaim land, so that people can live there. Reclamation projects have the same purpose, namely, the reclaiming of land.

However, when we come forward now with a proposal by which we will pay back every dime—and in this case we will pay back at least more than 90 percent of the money—we are met with considerable opposition. In other cases, involving the reclaiming of land, sometimes no money at all is repaid.

Therefore, when subsidies are mentioned, it seems to me that many of the reclamation projects are really subsidies, whereas we are merely asking for a loan. The investment by the Federal Government of a great deal of money is not involved in this matter, for the Federal Government will be reimbursed, whereas in the reclamation cases I have mentioned, the money invested has not been returned to the Federal Government. Nevertheless, I am in favor of those projects.

I have been in Congress for 14 years, and I have never yet voted against a flood-control project, whether in Florida or along the lower Mississippi, or wherever it might be. I have voted in favor of them, because I think they are good projects. However, in voting for them, I did so with the knowledge that none of the money would come back to the Federal Government. Nevertheless, I voted for them because, as has been stated by the Senator from Florida, I knew it was in the interest of the welfare of the people to reclaim or, in effect, create land on which people could live.

At this time we in the West ask for this authority so as to be able to develop the West and to enable people to make homes, but we say we will pay back to

the Federal Government every nickel. Nevertheless, we encounter opposition.

Mr. WATKINS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Utah?

Mr. MAGNUSON. I yield.

Mr. WATKINS. Let me point out that many of the flood-control projects and reclamation projects in the West are tied in with safety and flood control and the reclaiming of lands, all at the same time. That is true on the Columbia River. There have been some bad floods on the Columbia, and lives have been lost on such occasions. The reservoirs are built for the storage of water, so that the water will be available for use at times when the rivers are low and when water would not normally be available; but the purpose of the reservoirs also is to protect the people who live along the lower part of the Columbia River. So both purposes are tied in together, in the same way as in connection with the flood-control project on Lake Okeechobee.

However, I think the Senator has overlooked the fact that in the case of most of the reclamation projects in the West, when the water is taken from the main canal, the landowners build their own laterals; they take care of their own land; they reclaim the land. They have to apply the water to the land; they have to build their own ditches or laterals in order to get the water on the land. In my State the landowners go to the dam and take the water at that point; and they are responsible for getting the water from that point to their land.

In the case of the Lake Okeechobee project, the dike was built around the lake in order to keep the water in the lake, and to have a place into which to pump water from the land. Thereafter it was found that as a practical matter it was a good thing to make it possible for the water to be taken from the lake, to be used for irrigation purposes. Why should not those who use the water for those purposes pay the cost of taking the water from the lake for agricultural purposes, just as we in the West do? Why should they not improve their own land?

The point has been stated very well by the Senator from Florida, when he said that it is a matter of reclaiming land. Certainly the land around Lake Okeechobee would not be worthy very much to any of the people who live in that area unless the dike were constructed. So, actually, the building of the dike at the expense of the Federal Government has benefited, to the extent of millions of dollars, the people who live in that area. The dike makes their land available for agricultural use. I think that is good, and that is why I voted for it. Nevertheless, I have discovered now that irrigation is no longer confined to the West.

Mr. MAGNUSON. Of course, in the case of this project, all of the money would be paid back to the Federal Government.

Mr. WATKINS. That is true.

Mr. President, I was saying that today irrigation is no longer confined to the West, for irrigation projects are being

developed in other sections of the country.

If the Senator will consider the whole Columbia Basin as one system, he will realize that there is absolutely no subsidy for the Mountain Home project or for any of the other projects, because the power revenues which will be realized when that basin is developed will be more than sufficient to pay for the construction of every irrigation project which is at all feasible, under any finding of feasibility in connection with economics or engineering, and will be sufficient to pay back in full, 100 percent, the entire cost of all the power dams and the distribution systems.

Moreover, after that period has passed, after all the reimbursable costs have been repaid to the Federal Government, in connection with the loan the Federal Government makes—and it is a loan, not an investment—there will be sufficient revenues, if it is desired to pay interest from that time on, for another 40 years, to do so.

In the meantime, the United States will receive hundreds of millions, if not billions of dollars of income taxes from the incomes which are made possible by the great development. As a national policy, it is a wonderful policy, and the crops grown there do not on the whole compete with the crops grown elsewhere in the United States. We cannot grow grain under irrigation—that is, economically, successfully—because it is too costly; so we do not compete with wheat, we do not compete with corn. We do bring in dairy and other products, including vegetable and what not.

Mr. MAGNUSON. Mostly of fruit.

Mr. WATKINS. Fruit, of course, is included. There is no argument against irrigation on the basis that the crops grown compete with those of other sections. There is no argument against it when we take the long-range view and consider the land use and the provision made for millions of Americans not yet born. There is no competition when it comes to the development of industry, because industries are needed the country over; they are needed in the West, in fact, they are what we in that area need most. Where are the millions of prospective citizens going to live? Certainly in the East there are no resources sufficient to support such an increase any more. There is no more farm land for them in the East. Those who want to be farmers must necessarily go west, and irrigation is the only means to develop farms. Now, if we could sit down and compare—

Mr. MAGNUSON. As a matter of fact, is it not possible, if these projects could be worked out with a group of private individuals—which it cannot be; it is not practicable—that practically all the necessary bonds could be sold and the revenue would cover the repayment?

Mr. WATKINS. The only difficulty would be, of course, the length of the amortization period and the immense sums involved. Private investors would not have sufficient capital, even if they wanted to undertake the development.

Mr. MAGNUSON. It would be impossible to find a private group that would be able to carry the load.

Mr. WATKINS. And they would have to carry it for 75 to 100 years or whatever the period may be. When the over-all river basin is considered, there is absolutely no substitute for action by the Government. That is the only way it will be possible to develop the West. It is necessary for the Government to loan money to construct such projects if the West is to grow. It is a question of whether there is a desire that the West should grow. I am perfectly willing to vote for power projects, but when I find there are irrigation projects along with them, my present attitude is that there should be a requirement of repayment on such projects for whatever irrigation benefits are derived, and on exactly the same terms that were applied in the case of projects in Utah.

Mr. MAGNUSON. I merely want to add that the projects existing and authorized under the amendment will pay into the Treasury an estimated amount of more than \$2,000,000,000 in interest alone, and the absolute maximum which could be used for irrigation subsidies, even as suggested in the pending bill, has been \$800,000,000.

Mr. WATKINS. I do not quite understand the Senator's statement.

Mr. MAGNUSON. The projects, existing and authorized by the amendment, would pay into the Treasury, over the period of repayment, in excess of \$2,000,000,000 in interest, while the absolute maximum to be used for irrigation subsidies over that period which has ever been suggested is only \$800,000,000.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. When is that going to happen?

Mr. MAGNUSON. As soon as the projects are put into operation.

Mr. CHAVEZ. That is correct. In the meantime, the people of the United States will have to advance the money with which to develop the projects, will they not?

Mr. MAGNUSON. That is correct.

Mr. CHAVEZ. And in the meantime, the people of the United States will have to pay interest on the money, although it is expected that eventually it may turn out as the Senator has stated. Is not that correct?

Mr. MAGNUSON. It has happened. Existing projects are paying back now. Of course, the money is not advanced all at once, and it is repaid over a period of years. On a dam such as Hells Canyon it would take approximately 60 years. There would only be a portion repaid every year from the moment the first generator turns. Coulee started, I think, to pay back in 3 years. Only half the money had been advanced. It has kept paying, and additional generators have been installed. All the generators have not been installed at Coulee, but it is paying, and it will pay more when the 12 generators are installed. Only 9 or 10 have been installed, with 3 more to go in. Such projects start paying almost immediately. This project, of course, is a project by itself, and would have to apply to the Appropriations Committee for funds.

In regard to the payment of interest, a matter which I think ought to be made clear, the amendment provides—and this is according to the version which was worked out by the budget, the Department of the Interior, the Bureau of Reclamation, and the Army engineers—quoting from page 7 of the amendment:

In maintaining the Columbia "Basin account" and in setting rates for the sale of power and energy, the Secretary of the Interior shall take into consideration, for all properties covered by the Columbia "Basin account," the application of interest on the unpaid balances of the Federal investment allocated to power to the return of costs properly allocable to purposes other than power, but assigned for return from power revenues, to the same extent that application of interest on power investment to the return of such costs may be taken into consideration under the Federal reclamation laws.

The amendment does not change any laws. All it does is to set up a bookkeeping account. The reclamation laws are not touched or changed in any way. Every project must come before Congress for its review by the Appropriations Committee. If a project is not feasible, the committee will reject it.

Mr. WATKINS and Mr. CAIN addressed the Chair.

Mr. MAGNUSON. I will yield first to my colleague, who has been waiting for some time.

Mr. CAIN. I thank the Senator. I do not know that I can help my colleague at the moment. The Senator from Utah, a few moments ago, expressed the hope that the rest of the Nation would like to see the Northwest expand, develop, and grow, resulting in more homes and a greater population. I have every reason to believe that the rest of the country will continue to help us in the Northwest as they have so immensely helped us in the realization of our ambitions in the past. But I feel we ought to be certain of a proper definition of the terms we are using in order that we in the Pacific Northwest may be extraordinarily frank with those to whom we turn for assistance for our programs and the realization of our dreams.

As I understand the "Basin account," it merely establishes a future policy to the effect that money which is borrowed from the Federal Government for use in the Northwest shall be loaned to us without any service charge. If I am in error, I want someone to correct me.

Mr. WATKINS. Mr. President, will the Senator yield for a moment, that I may make an explanation?

Mr. CAIN. Please do.

Mr. WATKINS. I think there has been some misunderstanding as to the net effect of the interest component.

Mr. CAIN. I am sure the Senator will agree with me that now is the time to clear it up, because a number of other Senators who are presently interested are not here, and they will want to know the facts.

Mr. MAGNUSON. I may say to the Senator from Washington, I attempted, in a statement which I have not yet concluded, to give the best explanation I could of what the amendment actually means. But I should be glad to yield for

a moment to my colleague, who can make a much better explanation.

Mr. CAIN. May I ask whether my colleague objects to my effort to clarify the point at this time?

Mr. MAGNUSON. No, indeed.

Mr. WATKINS. My understanding is the interest component is that the interest charged against the project must be used in figuring the rates for the sale of power.

Mr. MAGNUSON. The interest rate is 3 percent.

Mr. WATKINS. Yes; 3 percent. That money actually finally gets back into the Treasury of the United States, but it is earmarked. It is earmarked, and is still reclamation money. It is used by reappropriation again to help the irrigation project.

Mr. MAGNUSON. If the Congress sees fit to appropriate the money from that bookkeeping entry to an irrigation project.

Mr. WATKINS. That is true. But nevertheless, it is earmarked, and up to date I think it has all been used for irrigation. That is what I wanted to point out.

Mr. MAGNUSON. Yes. I think that is so. The 3-percent interest can be used for irrigation projects.

Mr. WATKINS. That is correct. It goes to help those projects. It is a part of the picture. In other words, the representatives of the United States, or whoever is conducting the operation, are told that they must charge enough for the power to provide for operation and maintenance, first, for the amortized payments, and they must then add interest; and the rates will be fixed on that basis. It is comparable to what would ordinarily be done in private business. In other words, there is no place for a profit, but there is interest, which goes into the Treasury, where, as I understand from the opinion of the Solicitor of the Department of the Interior, it is earmarked for reclamation, and is considered to be reclamation money.

Mr. MAGNUSON. That is, if and when Congress, through the Appropriations Committee, approves a certain project; and it does not change the law. Congress may never approve of an irrigation project to be charged to that bookkeeping entry of 3 percent, but the necessity of the 3 percent is to show what is made; and, as the Senator says, it is very important in rate making.

Mr. WATKINS. That is in brief the reason for it. I should like to observe that while I am strong for the principle of the "Basin account," I am not so sure that I am going to vote for the entire amendment. I am for the individual projects, but if the Senator heard my statement yesterday, he knows I have worked on what I have considered to be a substitute for this program, by way of something better. I do not want to compromise myself by urging any Senator to vote for something which would interfere with a program I think is necessary for the West in connection with reclamation and flood projects.

Mr. MAGNUSON. I thank the Senator.



Mr. CAIN. Mr. President, if my colleagues will permit me to ask a question, yesterday both of us, as well as other Senators understood in the same sense the terms we are using. If the basin account were approved by the Senate, would it not mean that in the future, with respect to all dams to be constructed on the Columbia River and its tributaries, the capital cost of those dams would be returned to the Federal Treasury?

Mr. MAGNUSON. That is correct.

Mr. CAIN. Would it not also mean that a 3 percent interest charge, which, until this time, has been repaid to the Federal Treasury, would in the future be earmarked to be used solely for the benefit of irrigation?

Mr. MAGNUSON. If it were used, it would be used for irrigation.

Mr. CAIN. But if it were not used, it would not be returned to the Federal Treasury as a service charge on the capital moneys which had been borrowed from the Federal Treasury?

Mr. MAGNUSON. That is correct. The money would be in the Federal Treasury.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. I think the question I was addressing to the Senator from Washington a few minutes ago has been thoroughly answered, and it must be completely clear to anyone who reads the report of the committee on this amendment, and also the recommendations of the Budget Bureau, as well as the letter from the Secretary of the Interior, that a very grave and important change in policy, which may or may not be wise, which may or may not be the thing to do, is involved in this amendment, namely, the setting up of the interest component representing the 3 percent per annum interest return on the cost of the power unit, which is no longer to go back to the Treasury as a perfectly free sum, but shall for the keeping of the "Basin account," be regarded as the building of an account which shall then be usable for reclamation projects and irrigation projects.

Again I say that may or may not be wise, but, certainly, whether wise or unwise, it does operate as a subsidy. I am not, however, at this moment trying to prejudice it in any way as to its wisdom or unwisdom.

Mr. MAGNUSON. I think it should be added that it is a bookkeeping matter. Congress must decide each individual project and make the appropriation. The Senator from Florida uses the correct term when he says the money is "usable."

Mr. HOLLAND. The Senator is, of course, correct in saying that power revenues have been, in connection with individual projects, used for reclamation, but in no place, so far as is known to the Senator from Florida, has any program been established whereby an uneconomical project which cannot be defended on its own basis may be developed simply because it lies within the basin and because revenues are being produced by some power unit far remote from the particular project and not con-

nected with it, but which is accepted as being in the general basin, and the revenues of which may be used for the project. That may be a sound policy. If it proves to be a sound policy, that will be fine, but my objection is basic, and it is with regard to voting for a change in policy so far reaching—and it is a far-reaching change in policy, and a tremendously expensive change in policy—without the matter having cleared through the committee which has the heaviest responsibility in that field. That is what I object to.

I should like to say with reference to the Florida projects—

Mr. MAGNUSON. Before the Senator reaches the Florida projects, let me say to him that this is not a change in policy, and it is not an expensive policy. I think the record should be clear. The subject has been thoroughly discussed. There were 3 weeks of hearings by the Committee on Interior and Insular Affairs, and the committee submitted a report. I am sure the Senator from Florida has confidence in the members of that committee. The subject was also discussed before the Committee on Public Works, but not in any great detail.

Mr. HOLLAND. Let me read into the Record at this point the paragraph beginning on page 7 of the report of the Committee on Interior and Insular Affairs, which sets forth clearly the change in policy and the program which would be the effect of this amendment:

The "Basin account" will continue and extend the long-established principle of assistance to irrigation developments from power revenues.

Of course, Mr. President, that is a long-established principle, but only as to reclamation projects which are related directly to the particular power project. Let me continue:

It has the further advantage, by the pooling of costs and revenues, of permitting the evaluation of proposed irrigation projects upon their merits, and not upon the physical accident of whether or not a particular irrigation project may be related to a particular power project by geographic coincidence.

It could not be more clearly stated that what the amendment proposes to do is to take excess revenues from a great and successful project, as, for instance, the Bonneville project or the Grand Coulee project, and make them available for irrigation projects which cannot stand on their own bottom. There is no question but that is what is desired. It may be that it is a necessary thing to do, but to do it without clearing through the committee which has had to carry the labor of providing for the Senate the information upon which it has acted in establishing these great power units is exactly the wrong thing to do. I do not believe the Senator from Idaho will approve this kind of procedure, much as he may be in favor of the ultimate result sought to be accomplished.

Mr. MAGNUSON. Mr. President, I am becoming a little impatient with persons talking about "this kind of procedure." This is merely an amendment which has been considered briefly by one committee and at great length by another

committee. The Senator from Washington, right or wrong, did have the understanding that the Committee on Interior and Insular Affairs would consider the matter of the "Basin account" and the so-called irrigation projects. It is no improper procedure; it is the normal procedure. I have had it cleared by the Budget by the Secretary of the Army, the Secretary of the Interior. I do not know what more I can do.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. In a moment.

I do not think it should be implied that there is some improper procedure involved. The Senator may not agree with the proposal, but there is nothing improper about offering a bill as an amendment to a rivers and harbors bill. The "Basin account" is only an extension of the Columbia Basin recommended by the Budget and by the President on down the line, a policy which has been in effect for a long time with reference to individual projects.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I should like to ask the Senator from Florida if it is not true that, while he points to the radical innovation of using an interest component in connection with some of the projects in the Columbia River Basin, the identical policy has been in vogue for years in the Tennessee Valley, where more than a billion dollars of Federal funds have been advanced for navigation, flood control, and power development, and that until approximately 2 years ago not a single dollar of that Federal money was repaid to the Federal Treasury. Does the Senator know whether the principle of subsidy is not involved basically in the over-all program of TVA?

Mr. HOLLAND. The Senator from Florida is not advised that there are any reclamation projects in connection with TVA, and there is nothing I know of which is comparable or identical with what is here proposed. Again, let me say that I am perfectly willing, and I am sure every other member of the Public Works Committee is perfectly willing, to examine the question on its merits. I think it is manifestly wrong and is not in the interest of orderly procedure to adopt at this time a measure which does not itself authorize certain projects, but, instead, engrafts a very important change in policy upon the Federal law through an amendment which has not been cleared through the committee.

Mr. MAGNUSON. Mr. President, it is no new policy at all. It has been in effect in connection with many projects within the basin, and it is in effect in other areas of the country. It was established, in principle, in the Rio Grande project and in the Missouri Valley. All we are saying is that it should be for the whole basin. The Columbia Basin and Grand Coulee involve the same principle. It is nothing new.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. The Senator from Florida persists in making the charge that when we propose to utilize surplus power revenues to help a reclamation development, we are likely to establish a bad precedent. Certainly the Senator from Florida knows that when we propose to develop approximately a million acres of land in central Washington, the principle has already been established. The principle has been established of subsidizing reclamation developments from power revenues. The Senator is aware of that fact, is he not?

Mr. HOLLAND. Exactly, but only in connection with specific projects in the geographic unit then under consideration, not in connection with the transfer of earnings from a power unit constructed hundreds of miles away from an arid area which needs reclamation, but which has no direct relation to the power unit at all, an area which cannot be reclaimed upon its own basis and upon its own merits. To change the original program established by the Committee on Public Works, without the matter having been cleared, seems to me to be decidedly irregular and improper.

Mr. CHAVEZ. Mr. President, in this particular instance it would involve eight different projects, which have no power whatsoever, and are nothing more than irrigation projects. They are now practically obsolete. It would go only to finance these particular projects, which cannot pay for themselves.

Mr. MAGNUSON. Again, I cannot quite understand the process of arriving at the conclusion that something different is involved in this proposal. When the committee approved the Missouri Valley Authority plan, the committee received all kinds of irrigation proposals. On the Rio Grande project, power and irrigation proposals were submitted. I do not have them listed, and I do not wish to burden the Record with them, but there were several projects of that kind involved.

Mr. CHAVEZ. There is no power in the Rio Grande project whatsoever, and we did not have a basin account in the case of the Missouri.

Mr. MAGNUSON. There was no basin account, but there was a provision for the allocation of cost, and for reimbursement.

Mr. HOLLAND and Mr. DWORSHAK addressed the Chair.

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Washington yield; and if so, to whom?

Mr. MAGNUSON. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. If the Senator will be kind enough to yield for one more question, I shall hope to not interrupt him further.

Mr. MAGNUSON. I am very glad to yield.

Mr. HOLLAND. In the first place, we are judging a matter on which the Senate is working hard to get at the facts. The Committee on Public Works is now considering the CVA program, which would involve this project, among others. The Senator proposes to bring in a large part of the heart of that project, and set up a legislative process under which that

large part of the project would be provided for willy-nilly, and notwithstanding the attitude of the Committee on Public Works, which has already spent hundreds of hours in a study of the project.

I wish to conclude by saying, with reference to the western and northwestern situation, that in the time the Senator from Florida has been a Member of the Senate no proposed legislation affecting the northwestern area has come to the Senate for which he has not voted, and which he has not gladly supported. There is no member of the Committee on Public Works who has given harder study to CVA legislation, which is still in committee. As a member of the committee I had the pleasure and responsibility of serving as a member of the subcommittee which drew the program to help the flood sufferers of the Columbia River Valley, and I was happy to do so. I know that the Senators from that area helped us on our flood projects in the South. The census will show that the fastest growing States are Washington and Oregon. Perhaps it is in the reverse order: Oregon and Washington. They are the fastest growing States in the Union, if the prediction of the Census Bureau is correct. We want that process of development to continue, and I shall do everything in my power to assist it to continue. However, I want to know where we are going, and I want to act wisely and fairly.

Inasmuch as Florida has been injected into the discussion, I should like to say, before concluding, that in the case of Florida, in connection with bonding, we have done exactly what has been suggested by one Senator. We bonded. We spent our own money. We spent \$29,000,000 of our own money in setting up the basis of our developments. All the Federal Government has in Florida is the levee wall around Lake Okeechobee, which is for flood-control purposes. When the new program was proposed, the Engineers said, "Of course, some of this will be for flood control, but on the portions which will be for improved land use and improved water use, we expect the people of Florida to pay for those portions." I wish the Senator from Washington would listen. They said, "We expect the people of Florida to pay for that, not 20 years from now, or 30 or 40 years from now, but before the work is done." In their report they prescribed that we should pay \$37,000,000 in cash of the cost of construction. We are doing that. We are happy to do it, because we believe the Engineers have properly divided the good which will result, both from the flood control and navigation part of it, which is the Federal obligation, and the other parts which will help us locally. We are happy to have the Government helping us, and we are happy to pay as we go. We are happy to pay \$37,000,000 in cash, and enough more in annual cost, which will bring the total of the \$208,000,000 project which we are required to pay up to 38 percent, plus, of the entire project. So I do not like to hear Senators take the position that Florida has received unusually generous treatment. If any project in the Northwest can be pointed out on which any State has

been required to pay \$37,000,000, I hope someone will speak up now and advise us of it. On the contrary, there is no such project.

Mr. MAGNUSON. The Senator has not given us a chance to speak up.

Mr. HOLLAND. No; because I knew in advance what the answer would be. Everyone knows, as a matter of fact, that there is no such project.

Mr. MAGNUSON. I would like to tell the Senator we have probably spent many times more than that amount on the Columbia River project. We have done the same things the people in Florida have done. I read the figures, and they are correct. I do not know what portion refers to Florida. I do not like to see any particular State singled out.

Mr. HOLLAND. Can the Senator point out any instance where a single State has been required to put up in advance \$37,000,000? Can he point to any situation where a State was required to put up \$37,000,000, as its part of the cost of construction, in advance of letting any contracts?

Mr. MAGNUSON. I do not know that I have any figures on that. My whole point is that most of the other appropriations are for worthy things. I voted for all of them. I know the Senator from Idaho has voted for them, and so has the Senator from Washington. I thought they were all right. However, the figures show that they are practically grants from the Federal Government. The Eastern Seaboard States repay only 7 percent of the grants which they receive. The Lower Mississippi area repays only 18 percent. The Upper Mississippi area repays nothing. We in the Northwest are paying it all back. I am merely trying to put these projects in their proper light.

Mr. HOLLAND. The Senator is talking about navigation and flood-control projects, both of which are generally 100 percent in the Federal field.

Mr. MAGNUSON. Water conservation and control projects. These are reclamation and conservation projects, and we are willing to pay it all back.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I am happy to yield to my colleague.

Mr. CAIN. I think the Record would be greatly benefited if my colleague the senior Senator from Washington would speak broadly in answer to this question: What is likely to be the future of irrigation and reclamation throughout the Pacific Northwest if the basin-account amendment, or some such comparable proposal, is not approved by Congress?

Mr. MAGNUSON. In my best judgment, it would mean that we would have reached about the end of our so-called projects.

Mr. CAIN. That is to say, unless we in the Pacific Northwest—and I believe an extremely strong case can be made in favor of it—secure financial assistance, which is not available to us today, we are likely to see the rapid end of new reclamation and irrigation projects throughout the Northwest?

Mr. MAGNUSON. That is correct. That is my considered opinion.



Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Would the Senator from Washington regard that as a calamity?

Mr. MAGNUSON. Yes; I would regard it as such, so far as the Pacific Northwest is concerned.

Mr. DOUGLAS. I mean so far as the whole country is concerned.

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. Here we are, on the one hand, withholding farm land from cultivation by the millions of acres, and, on the other hand, hundreds of thousands of acres are being brought into cultivation in the Pacific Northwest at a cost per acre 10 times what it would take to put land into cultivation elsewhere in the country.

Mr. MAGNUSON. The Senator from Illinois has repeated that three or four times.

Mr. DOUGLAS. It happens to be true.

Mr. MAGNUSON. The Senator from Illinois is talking about withdrawing lands which are submarginal lands, and of crop allocations, of which there are surpluses. Irrigated lands in the West are used to the last foot. They are not competitive lands. People want to move out to the Pacific Northwest. They want to live there. They can buy lands in the Columbia River Basin, and they can live there. The land has been divided into small tracts. No one may own over 160 acres. Applications are on file which would stretch from here to the far corner of the Chamber. Young people in the East want to go there and settle on 5-, 10-, or 15-acre tracts. The settlers can raise more on a 5- or 15-acre tract of that irrigated land and make a better living than those on a 240-acre tract in most parts of the United States.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. We are talking about withdrawing lands. We are talking about taking people from lands on which they are not doing so well, or from cities, and putting them in places where they can make a living, where they would not be competitive. Many of the people now living in the area we are discussing would not trade places with persons residing elsewhere for anything in the world, because they are engaged in the best kind of farming, farming on irrigated western lands. It would be a calamity to move them. I think it is even more of a calamity when we deny those people an opportunity, at no cost to the Federal Government.

Mr. CHAVEZ. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. CHAVEZ. For once I wish to agree with the Senator from Washington.

Mr. MAGNUSON. We agree on most matters. There is merely a little legislative trouble in what we are now considering.

Mr. CHAVEZ. We are in agreement so far as irrigation is concerned. I think a man has greater security on 10 acres of irrigated land, with adequacy of

water, than on 100 acres of any other kind of land, because the water is used scientifically. If there is water to be put upon the land, one can put the proper amount only. One does not have to worry about it being too much or too little. The farmer puts on the land what water he wants to put on it, and raises what he desires to raise.

Mr. MAGNUSON. It is not necessary to hire rain-makers, or worry too much about the water used.

Mr. CHAVEZ. That is correct. But, of course, my statement does not mean that I agree to the amendment.

Mr. MAGNUSON. For a moment I thought the Senator from New Mexico was coming my way. But I know he agrees as to all the irrigation projects. One of the finest examples of what I have just said to the Senator from Illinois is found in the great irrigated areas of the State of the Senator from New Mexico.

Mr. CHAVEZ. I must relate one thing for the benefit of the cotton growers. The average production of cotton throughout the country is 218 pounds to the acre. Cotton raised on the irrigated sections of New Mexico, Arizona, and in the Sacramento Valley of California, averages 800 pounds to the acre. That shows the difference between raising cotton on irrigated land and other land.

Mr. CAIN. Mr. President, will my colleague yield?

Mr. MAGNUSON. I yield to my colleague.

Mr. CAIN. Does my colleague believe that some of our reclamation and irrigation projects in the Pacific Northwest will be able to pay out on the intended pay-out schedules if the basin-account amendment or some similar benefit is not approved?

Mr. MAGNUSON. I am not too familiar with the conditions in Idaho, but I do know conditions in my own State, as the junior Senator from Washington does. The bulk of the irrigation projects now existing in the State of Washington, in my opinion, with some minor adjustments to the water users on contracts, will be able to pay out. But that may not be so as to some future projects which have been planned—

Mr. CAIN. Substantial projects.

Mr. MAGNUSON. Substantial projects, which might not look too feasible for settlers. Most of the settlers start anew, and they cannot stand much of a burden, and I am afraid they might be seriously handicapped in their development on the greater Wenatchee project, for instance, and I suppose the same might be said of some Idaho projects. The State of Oregon is about irrigated out.

Mr. CAIN. I think those of us who represent the Pacific Northwest are pretty generally in solid agreement that we are in need of additional financial benefits from some source, not only to protect us against the future, but to give adequate protection and care to what we have already agreed to by way of extending irrigation and reclamation.

Mr. MAGNUSON. That is correct. We feel that if we take our own resources, such as the water resources which are there, and provide for the peo-

ple who live there so that they may make better homes, it is not unreasonable, particularly when we say we will pay back every nickel.

Mr. CAIN. I do not know that we are even slightly in disagreement, but I feel that what we are asking for—and for that reason we should say so—is a subsidy. Perhaps that is not a proper word, but I think it is in this case, when the people have run out of opportunities or moneys which presently are at their disposal.

Mr. DOUGLAS. Mr. President, let me congratulate the Senator from Washington for using very frank and truthful language.

Mr. CAIN. I respond to the Senator from Illinois that I am certain that my colleague, the senior Senator from Washington, wishes to be just as frank as I am. I only feel that because we are in need of a subsidy, we should call it by that name, that we should sell our case on its merits, which revolve around a subsidy, because we are asking the Federal Treasury to give us what we presently do not possess, and we are asking the Federal Government to make capital and moneys available to the Pacific Northwest with no service charge. I think we can make a case in defense of that, but from my point of view, I want to call it what I think it is.

Mr. MAGNUSON. The Senator is right partially, but in effect we are paying a service charge. We merely say that if the Congress of the United States, on any one irrigation project, or any number of projects, wishes to appropriate money to aid the project, the money, as a bookkeeping matter, is earmarked. They need not grant it to us, but we are paying the money back. A subsidy is something one gets and does not pay back.

Mr. CAIN. Let me say, in support of what my colleague, the senior Senator from Washington, says, that I want to work out something that will give us a bookkeeping entry, but I want to be certain we can make use of that bookkeeping entry, and I would not want any Senator to be left under the impression that once we get the entry we are not going to take advantage of every dollar it includes.

Mr. MAGNUSON. We are both frank in that. We are going to take advantage, and I am certain that is what Senators—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. Let me finish my sentence. I wish to say to my colleague that there is another reason for the basin account other than what he has given. If we do not have the basin account, the Chief Joseph Dam, although it is a more efficient power plant than Bonneville or Grand Coulee, is going to mean more in the cost of producing power, because the cost is double, since the Bonneville Authority cannot tell what kilowatt comes from Chief Joseph and what comes from Grand Coulee, so they will have to make different rates at this point [indicating on map] and down here [indicating], but a basin-account method will result in an over-all rate.

Mr. O'MAHONEY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I came on the floor of the Senate from a meeting of a committee, and I heard the discussion about subsidies for reclamation projects in the Northwest. I cannot pass the use of the word "subsidy" on this occasion without pointing out that what we are talking about here is the development of a great natural resource. We are proposing to use the water which flows through this basin for the production of revenue for the Government. The power projects which will be constructed here will furnish energy for industry throughout the Northwest. The return from the sale of that energy will afford opportunity more than sufficient to place under irrigation lands not now being irrigated, and lands which are not receiving enough water to enable the families which are seeking the opportunity to settle upon these lands. The expenditure of the sum produced by revenue from the sale of power will add to the tax receipts of the communities which are built up, the local communities, the counties, the States, and the Federal Government. The record of reclamation in the United States—and it cannot be gainsaid—has been the record of creating new communities with new opportunities for businessmen, for school teachers, for doctors, for lawyers, and for economists occasionally, may I say to my distinguished friend from Illinois. These are productive expenditures for the development of natural resources. There are no greater resources than the water and the land.

The record of the Committee on Interior and Insular Affairs and the files of the Department of the Interior show innumerable requests from people all over the United States, particularly from young men, for new opportunities to settle upon land. The record made by this committee—it is available on page 42 of the report of the Committee on Interior and Insular Affairs—shows that the land which will be benefited from the water included in these projects will not be productive of surplus crops. The record in the West is ample to show that most of the crops are used in the very area in which they are produced, and they do not go to the surplus account, the subsidy account, requiring the support of the Government.

I merely want to make it clear from my point of view that when we talk in terms of subsidy we are giving an incorrect picture, as I see it, of the development program which we seek to undertake, because every dollar of this expenditure will come back to the Treasury of the United States in the increased industrial and agricultural activity of the area affected.

I thank the Senator.

Mr. MAGNUSON. The Senator from Wyoming is very familiar with the fact that it has been reliably estimated by economists—I do not know whether they are agricultural economists, but I presume they are—it has been reliably estimated by some agricultural economists, who are in complete agreement, that if we are to maintain our American stand-

ard of living consistent with the growth of population we must have much more land in production in the next 20 years than we heretofore contemplated.

Mr. O'MAHONEY. Mr. President, I may say to the Senator that from my point of view it is much more important than that, because what we are talking about now is an expanding economy in the United States. If the great burden which this country is carrying upon the international front is to be carried successfully we must have an expanding economy in the United States. We must create the opportunity for new business, for new endeavors, for the creation of new jobs and of new incomes. That is what we are doing when we undertake to build up the West.

Mr. DOUGLAS. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. Yes, I yield.

Mr. DOUGLAS. The Senator from Washington by his remarks seems to have stirred a good many of our colleagues into making speeches on reclamation, and I perhaps have been guilty along with the rest. Of course, I understand the natural interest of people in the arid regions of the United States in reclamation and irrigation, and I understand the pleasure which they feel when they reclaim lands from the desert and see it blossom and see new industries develop. We of the Middle West are very sympathetic with that. But the question always is: At what cost? How much does it cost to do this? Could the money be better used in other directions? I think that what is happening here, in particular respecting the Mountain Home irrigation project, is that it is proposed to subsidize 192,000 acres to be irrigated at the expense of the power users west of the Cascade Mountains. West of the Cascade Mountains there is a high rainfall. There is no lack of water there. It is east of the Cascades that the arid region is found. The Hells Canyon project would more than pay for itself even at present power rates. It is proposed to take the earning capacity of Hells Canyon to irrigate 192,000 acres to the south.

My good friend, the Senator from Florida, pointed out that the cost per acre of irrigating this land would be \$900. But I find on page 42 of the report that the cost is actually more than that. It is \$1,040 per acre, with a subsidy of at least \$900.

I know of no bit of land in the United States that could not be made to blossom like the rose if \$900 an acre were put upon it. Enormous crops can be obtained at such cost. Even the barren hillsides of Vermont would be producing the most stupendous crops if we made a capital investment of \$900 per acre there.

In my State we have, I think, the richest farm land in the country in the counties around Bloomington, and \$900 an acre is about three times what this richest land in the United States is now worth.

But here it is proposed to take land which is out of cultivation, put \$1,040 an acre on it, \$900 of which is a subsidy, and charge the power users of the

western part of Oregon and Washington for this cost.

I have been taken to task by several Senators for saying that I thought it might be a good thing, not only if the Government got its money back on some of these projects, but received some of the profits in order to reduce the public deficit. That offended the sensibilities of the people from this region who say that the projects ought to be set up as a more or less autonomous group which finances its own expenses and apparently its expansion. But what I should like to point out is that even if that premise is accepted, what is proposed is to bleed western Washington and western Oregon for the benefit of the so-called Inland Empire.

Mr. MAGNUSON. The Senator from Illinois simply does not understand irrigation. Paradoxically, Hells Canyon alone will not help us in the matter of power.

Mr. DOUGLAS. I am for the Hells Canyon project. It is the Mountain Home project—not "My Old Kentucky Home," but the Mountain Home project against which I am directing my fire.

Mr. MAGNUSON. Hells Canyon, without the basin account, would not help us at all in the matter of power. We are not taking anything away from the people of western Washington. I would be the last one to be here doing that, particularly in this year 1950. Because of present high construction costs, Hells Canyon, if it were authorized and construction started—it could not possibly start until next year—could not, without the basin account, be put into the power pool to level off. As a matter of fact, the people of western Washington still get their power from the part of the pool which would have to be segregated, Grand Coulee, Bonneville, and Tacoma City Light and all the other power in the pool. Hells Canyon would be of very little help on the question of the power rate. As a matter of fact, Dr. Raver, head of the Bonneville Authority, is of the very firm opinion that until he can get the basin account to pool all this, he must, in many cases, raise the rate and discriminate between certain users at certain points, whereas if he had the whole basin account, then he thinks he could maintain the \$17.50 rate despite the cost. Hells Canyon would then help us, because the high cost of construction would be absorbed by the low cost of Bonneville, Grand Coulee, McNary, and other dams which were started later. It may be that if costs should continue to go down by the time, let us say, Hells Canyon was completed, the situation to which I have referred would not occur; but it does exist now.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. Surely the Senator from Illinois does not want the Record to show that one area would be bled for another area in the Columbia River Basin. An effort was made a while ago to point out that the Hells Canyon Dam is an essential part of the upper-basin development. If it will pay the entire cost of constructing that reservoir and



that dam and then provide approximately \$300,000,000 of excess revenue, is it not logical to divert some of that surplus power revenue to help reimburse the cost of reclamation developments at Mountain Home, inasmuch as the two developments—Hells Canyon and Mountain Home—are part of the overall Snake River-Payette River development. To that extent, certainly, there is justification for using the power revenues from Hells Canyon to subsidize the development of the reclamation project at Mountain Home, just as much as it would be to divert power revenues from the Hells Canyon project to help develop reclamation elsewhere in the Columbia River Basin.

Mr. MAGNUSON. Certainly the revenues from Hells Canyon, even if it were to cost that amount of money, would not go back to the Bonneville Authority, to be used in connection with the making of rates. It would have no effect on rates whatever.

Mr. DWORSHAK. Mr. President, the Senator from Florida was greatly disturbed over the use of the word "subsidy," because apparently he felt that the Government would not recover in full the amount of money invested in some of these projects in the Columbia River Basin. The Senator will recall that the Senator from Idaho asked him if it were not true that more than \$1,000,000,000 of Federal funds had been appropriated for various developments in the Tennessee Valley, under the so-called TVA, and that although less than half of the money thus expended will ultimately be repaid from revenues from the sale of power, yet far more than half of the \$1,000,000,000 will not be repaid in any way. So the Senator asks the Senator from Florida whether he would not consider that \$500,000,000 not repaid to be in the form of a subsidy? Does not the Senator from Florida admit that the failure to repay the Federal Government \$500,000,000 used in the TVA is in reality a subsidy, whether it be for irrigation, for navigation, for flood control, or for any other purpose?

Mr. HOLLAND. Mr. President, will the Senator yield, to permit me to reply?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Florida?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. So far as I am concerned, Mr. President, assuming the facts to be as stated by the Senator from Idaho, I certainly would use the word "subsidy." I am not complaining any more of subsidies in one part of the United States than in another. I am not so much disturbed by the argument today about subsidy as I am to have recognition by the Senators who are urging this measure of the fact that a tremendous subsidy is involved. However, that is now admitted—although it had not been up to an hour ago, when this debate began.

Mr. President, will the Senator permit me to address an inquiry to him?

Mr. MAGNUSON. I yield for that purpose.

Mr. HOLLAND. A moment ago the Senator had something to say about the

rate structure. I noted with particular interest and with some concern a portion of the committee report appearing in the last paragraph on page 7 and in the first sentence on page 8, which I shall read:

Evidence submitted during the hearings indicated that power rates in the Pacific Northwest will have to be raised somewhat in any event above those now prevailing for the Grand Coulee and Bonneville Dams. This is because of the fact that higher power-cost projects, a number of which are already authorized and under construction, are to be brought into the system, but their rates will be equated with the existing projects through the use of basin account.

The committee concludes, with some concern, that if the interest component on the power features does not continue to be available for financial assistance to irrigation projects, or if some alternative means of providing financial assistance to such projects is not provided, a still further raise in power rates for the entire Northwest will be necessary.

My question is this, Does the Senator understand—I am sure he does—and do the users of power in the western portions of Washington State and Oregon understand that the facts are just as indicated in the two quoted portions from the committee report, namely, that through the basin account it is now proposed to raise rates to users of power from Grand Coulee and Bonneville Dams? Is that understood by the people in that area?

Mr. MAGNUSON. That is not correct.

Mr. HOLLAND. Then the Senator from Washington says that statement contained in the committee report is incorrect, does he?

Mr. MAGNUSON. No; the committee report does not say that at all. It says that evidence indicates that power rates will have to be raised. However, they will be equated with the rates from existing projects, through the use of the basin account.

I have been informed on many occasions by the Director of the Bonneville Authority that because of increased costs, which now are dropping, the only hope he has to keep the \$17.50 rate is to have the basin account, so that he can equalize the rates from all the power units. So the man who is in charge of the sale of power, a very distinguished man, Dr. Raver, the head of the Bonneville Authority, whom all of us know, says just the reverse, namely, that the hope of keeping the power rate at \$17.50, as it now exists in the Bonneville pool, lies in the basin account by which the various rates from the various projects would be equalized. Otherwise he would have to charge different rates in different areas, because, as the pool grows larger, he could no longer tell where the kilowatts were being generated.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Let me ask the Senator from Washington again about this statement from the committee report:

Through the use of "basin account"—

I quote now from the first sentence—power rates in the Pacific Northwest will have to be raised somewhat in any event

above those now prevailing for the Grand Coulee and Bonneville Dams. This is because of the fact that higher power-cost projects a number of which are already authorized and under construction, are to be brought into the system, but their rates will be equated with the existing projects through the use of "Basin account."

Does the Senator mean to say that he does not understand that statement in the committee report to mean that through the use of the basin account, the rates in the Bonneville and Grand Coulee areas will not be raised above the rates now prevailing?

Mr. MAGNUSON. I think I understand something about power rates in the Pacific Northwest and what affects them; I am fortunate to have been involved in many of those cases, and I understand correctly the English language. The only hope to keep the power rate down is the basin account, which will allow the rates to be equalized. That is the testimony and considered opinion of all those who are involved in the direct distribution of power to the consumers.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Then, do I correctly understand that the Senator from Washington means that the basin account is the only hope of keeping down the power rates for the new, higher-power-cost projects? Further, do I correctly understand that the Senator from Washington is not talking about keeping down the power rate, for those who are using power from Grand Coulee and Bonneville Dams?

Mr. MAGNUSON. Oh, it is a power pool. The power comes from all over that area, from all the dams. In order that the Senator may understand this matter, let me say that the Bonneville power pool involves power which is pooled from many sources. There is no way to tell whether the power which I use in Seattle comes from Bonneville or from Grand Coulee or from the Seattle City Light or from Tacoma City Light or from the private system on Rock Island or from Hungry Horse Dam in Montana. All the power is put into a pool. There is no difference in cost on the west side, on the east side, or in any other part where the pool operates. Some persons have to pay more for their power because we have not been able to develop the transmission lines. As the Senator recalls, we always have been having fights in Congress about the transmission-line system.

But this portion of the committee report merely means that Dr. Raver has told all of us that unless he can get a basin account by which he can equalize the rates for all the new developments, he may have to raise the \$17.50 rate—not to any great extent, but a small amount, but only because of the higher costs. It is just the reverse of what the Senator has said.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LEHMAN. In respect to the statement made by the distinguished Senator from Florida [Mr. HOLLAND], is

it not a fact that no two power projects, built under different conditions and at vastly different times, can furnish power for exactly the same price? Obviously a power plant built in 1954 will supply power at a greater cost than the power which is supplied from a plant built in 1940.

Mr. MAGNUSON. That is correct.

Mr. LEHMAN. If the Senator from Florida were correct, it would seem to me that the implication would be that it would not be possible to build any more power plants in any region, because the power from them would cost more than the power coming from plants built in previous years. What is sought to be done by this amendment is to have a power pool, so that the entire region can get its power at exactly the same rate.

I am sponsor of a resolution with the Senator from Rhode Island [Mr. GREEN] and other Senators, for a survey of the power facilities in New York State and in New England. I have no doubt that the cost of various projects is going to differ to a considerable extent, possibly, but what I think is sound is to pool the resources in one area so that a man tapping power from one plant may not have to pay 10, 15, 20, or 25 percent more than is paid by a man tapping power from a plant 50 or 75 miles away.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. The Senator from New York does not deny, does he, that the statement in the report is very clear and specific, and could mean nothing other than that through the operation of the basin account, sought to be made effective by this amendment, the power rates will certainly be raised above those now prevailing for the Grand Coulee and Bonneville Dams?

Mr. LEHMAN. Even assuming the Senator to be correct, which I do not acknowledge, in view of the explanation given by the Senator from Washington, the inevitable conclusion to be drawn from the Senator's remarks is that if we took existing rates in one plant as the sole criterion, we would have no future development, because there is no doubt that a power plant developed today, or in 1955, or in 1960, will be considerably more expensive than the power plants which have been developed at Bonneville and Grand Coulee. So from my viewpoint, it seems to me we would have to stop completely the development of any new plants, which would be more costly possibly than those which were constructed 15, 20, or 25 years ago.

Mr. MAGNUSON. I thank the Senator from New York. The Senator from Florida and I interpret the language entirely differently. We are hoping to keep the power rate down. We think by the basin account we will be better able to do it. An increase of rates might be possible; that has always been possible. The \$17.50 rate has been in existence for a long time. Costs have gone up, even maintenance costs have gone up. Referring to Bonneville and Grand Coulee and the users in western Washington, if the Administrator has to charge the rates near the outlet of the dam at either Bonneville or Grand Coulee, to the

thickly populated centers, we will get no benefit, unless the basin account as provided. Seattle is in the pool to be, but unless the output can be equalized, it is going to have to be marketed at different rates, which would mean the cheapest rates in the entire United States would be paid around the Grand Coulee, where there is no population at all, or perhaps to some nearby area, if an attempt were made to segregate the kilowatts that come from Coulee. That is the testimony of Dr. Raver.

I have taken up a great deal of the time of the Senate. I have a discussion of this particular amendment and of the events leading up to it, but I thought before I went into that I might quote excerpts from speeches, letters, and statements in support of this plan. Throughout the following quotations, there is a reference to the comprehensive plan as coordinated by the April 11, 1949, agreement between the Department of the Army and the Department of the Interior. There is also a reference to Senate bill 2180, a bill which I introduced, to authorize the comprehensive plan, agreed upon, April 11, 1949.

Anyone who supported or who supports the comprehensive plan, or the April 11, 1949, agreement, or Senate bill 2180, of necessity must support the Columbia Basin account. That is true because one of the most important features of the April 11 agreement and, therefore, of the bill, S. 2180, is the basin account. I refer to the digest of Agreement on Principles and Responsibilities, Columbia River Corps of Engineers and Bureau of Reclamation, items 6 and 12. The Bureau, in those items, anticipated this basin account in the agreement which is set forth in Report No. 308, and these facts should be kept in mind in connection with the quotations I am about to make.

Representative WILLIAM M. WHITTINGTON, of Mississippi, who heads the committee on the House side, delivered a speech at the Thirty-first Annual Convention of the Mississippi Valley Association, at St. Louis, Mo., on February 6, of this year. I had informal discussions with him, and I am sure the chairman of the Public Works Committee also had. At a time when he knew this whole matter had been pending, and the general status of it in the Senate, Mr. WHITTINGTON, in his speech, said:

There is pending in Congress today a coordinated plan for the Columbia Basin—

That is the basin account. It is part of the coordinated plan and the agreement entered into on April 11, 1949, and of Report No. 308, which we are considering. He continues:

There is pending in Congress today a coordinated plan for the Columbia Basin, with the projects named and with careful studies covering the economic and engineering problems involved. That coordinated report, with the definition of authority between the Corps of Engineers and the Bureau of Reclamation, should be adopted.

There has been some suggestion made to me by members of the Public Works Committee that possibly if this amendment were placed in the bill there might be some difficulty in conference with

Representative WHITTINGTON. I cannot apprehend that there would be any difficulty, in view of his speech from which I have quoted, in which he recommended the adoption of the amendment, with the basin account, because that was a part of the comprehensive plan, with which Mr. WHITTINGTON is very familiar, and of which he has made a very keen study.

On July 8, 1949, the Senator from Oregon [Mr. CORDON] joined with the senior Senator from Washington, the late Senator from Idaho, Mr. Miller, the Senator from Idaho [Mr. TAYLOR], and the Senator from Oregon [Mr. MORSE], in addressing a letter to the Senator from New Mexico [Mr. CHAVEZ], chairman of the Committee on Public Works, urging the committee to adopt an amendment to H. R. 5472, implementing the so-called comprehensive Columbia Basin development plan. The letter appears on page 494 of the Senate hearings on H. R. 5472. The last paragraph of the letter reads:

Two bills now before the Senate are designed to accomplish the authorization of the Interior-Army integrated plan and agreement previously referred to—S. 2180, introduced by Senator MAGNUSON and S. 1595, by Senator CAIN. We respectfully request that your committee give prompt and favorable consideration to adoption of an appropriate amendment to H. R. 5472, which will carry out the identical purposes of these bills.

The Senator from Washington [Mr. CAIN], then a member of the Public Works Committee of the Senate, made a statement on the Columbia River comprehensive plan in an open committee hearing, on Thursday, July 21, 1949. On page 496 of the hearings on H. R. 5472, the Senator from Washington made the following statement:

Thousands of words of testimony already have been taken before the Senate and House Public Works Committee on this plan. I know of no opposition to the plan. Both public and private power interests have testified in favor of the plan; both political parties have approved it; representatives of Government agencies approve it; all the governors of the States affected have approved it.

This plan or agreement, as between the Engineers and Reclamation Bureau, was signed April 11, 1949. It is expected to be transmitted to the Congress soon.

Mr. Chairman, I think there is little need of more being said, as I know that all of us have heard about and studied this plan. I have heard no objection. I ask that this plan be authorized to proceed in accordance with present laws and regulations.

This was before the committee in July. The Senator from Oregon [Mr. MORSE] appeared before the Senate Public Works Committee on July 21, 1949, to urge action on the Columbia Basin comprehensive plan. All the amendments contain the basin-account feature.

On page 5245 of the hearings the Senator from Oregon stated as follows:

In order that development of the land and water resources of the Pacific Northwest may not be delayed, pending ample consideration of this new type of governmental administration—

He had just been speaking of CVA—and since I believe the principles have the approval of all concerned, I urge your committee to recommend the incorporation of the Corps of Engineers' plan on the basin as presented in the Chief of Engineer's report



on June 28, 1949, and the complementary plan of the Commission of Reclamation, embodied in his report of June 2, 1949, as part of the omnibus flood-control bill, or report to the Senate favorably on Senate bill 2180, as introduced by Senator MAGNUSON from Washington. \* \* \* I think that S. 2180, the comprehensive plan of the Army engineers and the Bureau of Reclamation, is primarily deserving of support—not because of any sectional interest in it at all, but because of the great national interest in it, and, in fact, I think it ought to be placed primarily on a national footing, and secondarily on a sectional footing.

The Senator from Idaho [Mr. TAYLOR] testifying before the Senate Public Works Committee on July 21, 1949, speaking of the Columbia Basin comprehensive plan, said:

First, I want to call the attention of the committee to the request made by Senators of both political parties from the Northwest States, urging that the bill now under consideration be amended by authorizing the entire joint program of the Bureau of Reclamation and the Corps of Engineers for construction of projects in the Columbia Basin. As members of this committee know, there is no conflict between this program and the proposed Columbia Valley Administration.

I merely point that out to show the interest we took before the Public Works Committee on this question, in July of last year. I appreciate what the Senator from Florida [Mr. HOLLAND] has said regarding the Columbia Valley Administration. I want to point out, however, that there is no connection between what we are proposing here and the Columbia Valley Administration. They are related only in this respect, that one deals with management and the other deals with the project.

I know some persons have felt that this may be a substitute for CVA. It so happens that I am the author of both the CVA bill and this plan, and I do not think it is a substitute to any extent. The President, a strong advocate of the Columbia Valley Administration, in his message pointed out the fact that if this plan is adopted and if the projects proceed according to the Army engineers and reclamation agreements, there would be all the more reason for the CVA type of management.

I do not think the matters conflict at all. If I thought it were a substitute, I would not be here proposing it, because I have a more direct interest in the CVA than has probably any other Senator, because I introduced the bill and it affects my area.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. The Senator is interested in the CVA and also in the bill which he introduced to carry out the purposes of this amendment. Is that correct?

Mr. MAGNUSON. Yes; the 308 report plan.

Mr. CHAVEZ. The Senate committee has approved \$142,000,000 more than was approved in the House bill. That is correct, is it not?

Mr. MAGNUSON. Yes.

Mr. CHAVEZ. Inasmuch as the basin account is a controversial question and as the question whether there should be included more irrigation proj-

ects at the moment, what is the necessity of getting more authorizations at this particular time, no matter how meritorious, when it would be impossible to spend even the amount approved by the House?

The Senate committee approved enough work to carry on for 3 years to the full extent of the ability of the Army engineers. If the proposal is controversial, irrespective of its merits, why jeopardize the whole bill and the \$142,000,000 in addition which the Senate has approved by trying to insist at this particular time that the Committee on Public Works accept the recommendations of another committee?

Mr. MAGNUSON. I will say to the Senator that I have a deep interest in the basin-account proposal. All the projects in the rivers and harbors bill will not be immediately started. There must be appropriations. I think the comprehensive report should be on the same footing, if it has any merit at all. I still want to point out that we have a comprehensive plan. We cannot separate the projects; they go hand in hand with each other. They all have multiple-purpose features, and it would be quite difficult for the engineers to proceed in the Columbia Basin without having the Reclamation Commission follow. Because of that feature, I suppose, the governors of the States affected agreed to the plan. The Bureau of the Budget has agreed, the President has agreed, as have Senators from the various Northwestern States. The one exception is the Senator from Oregon, who has a different view regarding the basin account itself.

Mr. CHAVEZ. Assuming that what the Senator from Washington has stated is correct—

Mr. MAGNUSON. The rivers and harbors bills have contained, on other occasions, a joint plan. It is perfectly logical where separations cannot be made.

Mr. CHAVEZ. We were perfectly willing to listen to reason. It is all right to insist that the committee consider the subject, but why should the rivers and harbors bill be held up because the people of the Northwest could not get together on irrigation last fall?

Mr. MAGNUSON. We were together.

Mr. CHAVEZ. They now expect the committee to accept a recommendation, about which we know nothing.

Mr. MAGNUSON. We were in entire agreement that the bill should be reported from the Public Works Committee. We were disappointed when the Senator from Utah suggested that it go to the Committee on Interior and Insular Affairs. We so testified before the committee. We did not want it to go to the Committee on Interior and Insular Affairs. I was very much disappointed.

Mr. CHAVEZ. I was disappointed that we were not permitted to proceed with the bill as reported, but I had so much respect for the jurisdiction of another committee on matters pertaining to irrigation and reclamation that I said, "All right; you handle it." And the committee did handle it. I would not object to a bill to carry out the purpose of the Senator from Washington, but for it to be presented at the last moment, and to ex-

pect the Committee on Public Works to accept it when it knows so little about it, is not the proper way in which to handle the question. Senators begged us to let the bill go to another committee—

Mr. MAGNUSON. Oh, no. Not one of us wanted it to go to another committee. We wanted the Senator's committee to handle it.

Mr. CHAVEZ. Nevertheless, it went to another committee, since it pertained to matters of irrigation. The power features of the amendment of the Senator from Wyoming were proposed afterward. They were not being considered at that time. Nothing was considered by the Interior and Insular Affairs Committee but irrigation, of which the Public Works Committee had no jurisdiction.

Mr. MAGNUSON. None of us wanted the bill to go to the Committee on Interior and Insular Affairs. It did not have to go to the Committee on Interior and Insular Affairs. The Committee on Public Works has jurisdiction over a comprehensive plan. This amendment was not brought up until the Committee on Interior and Insular Affairs had considered it for days.

Mr. CORDON. Mr. President, I understood the Senator to say that the Bureau of the Budget and the Congress had approved the coordinated plan of the Bureau of Reclamation and the Corps of Engineers for the Columbia River Basin. Is that correct?

Mr. MAGNUSON. I did not say the Congress had approved it.

Mr. CORDON. The Senator said that the President and the Bureau of the Budget had approved it?

Mr. MAGNUSON. Yes.

Mr. CORDON. Does the Senator recall this language, in the letter of February 1, 1950, from the Bureau of the Budget, which appears at page 30 as Appendix 2?

Mr. MAGNUSON. What is the Senator referring to now?

Mr. CORDON. Appendix 2, page 30, of the committee's report.

Mr. MAGNUSON. Of the report of the Committee on Interior and Insular Affairs?

Mr. CORDON. Yes. I quote the following paragraph:

In the meantime, it is obvious that the coordination of their respective programs which has been effected by the Departments of the Interior and the Army is essential. The agreements which they have reached on certain policies concerning the interrelationship of their programs in the Pacific Northwest appear to represent a practicable plan under which the two Departments can work together within the shortcomings of the present Federal pattern of piecemeal legislation and divided administrative responsibility. The President expects that the two Departments will continue to operate in conformity with agreements of this general character. However, such agreements, by their very nature, should be considered only as operating agreements, to be changed and brought up to date from time to time.

I quote the meat of the paragraph:

Their form and content should not be frozen by statutory enactment.

Mr. MAGNUSON. That is correct.

Mr. CORDON. Does not that show the President and the Bureau of the Budget to be in opposition to the report?

Mr. MAGNUSON. No; not in opposition at all. The letter of transmittal to the President from the Corps of Engineers and the Bureau of Reclamation suggested that although this was a general agreement, they appreciated that from time to time they may have to make changes to bring the plan up to date. They did not suggest any law to freeze it. The agreement was a general one on certain projects, and the testimony of General Pick, and of the Bureau of Reclamation show that the report 308 should be subject to certain variations from time to time. It is perfectly consistent. The President said so in his letter.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. CORDON. Is the Senator aware of the fact that the coordinated plan on the Missouri Valley project was written into the 1944 Flood Control Act, and that the report was offered to the Committee on Public Works of the House and to the Committee on Public Works of the Senate for adoption, and that it was adopted?

Mr. MAGNUSON. I am familiar with that fact; yes. That was done because at that time the Bureau of the Budget and no one else knew much about Report 308. The report was being contemplated at that time. However, they adopted the Missouri Valley report, as I recall it. I do not recall the details. It was a general plan for the Missouri River development and a general plan for the Rio Grande.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. MAGNUSON. Yes.

Mr. CORDON. Did not the Senator from Washington call attention, both today and yesterday, to what he termed page after page of hearings before the Committee on Public Works of the Senate referring to this coordinated report?

Mr. MAGNUSON. Yes.

Mr. CORDON. Does the Senator now say that there was no testimony before that committee on the subject and that the committee did not know anything about it?

Mr. MAGNUSON. No; I have not contended that. I contend that they knew a great deal about it. I testified before the committee. Several other Senators testified before the committee. There was much testimony given on that subject.

Mr. CHAVEZ. The committee did not take any affirmative action.

Mr. MAGNUSON. The committee did not take any affirmative action. I have read three or four times what action the committee took. The Committee on Public Works rejected an amendment proposing the whole comprehensive plan, but adopted amendments authorizing the construction of individual projects and appropriations therefor totaling \$250,000,000 to the Corps of Engineers and \$175,000,000 to the Bureau of Reclamation. The proposed appropriation for the Bureau of Reclamation was contingent upon the approval by the Committee on Interior and Insular Affairs. That was the action of the committee after taking much testimony. I do not

know for how many days testimony was taken. It was 3 or 4 days. It is all in the RECORD. The Senator must have completely misunderstood me, because I never suggested that we did not have any hearings before the Committee on Public Works. It was just the reverse. I am trying to say that the committee had adequate time to look into the matter and to study the subject.

Mr. CHAVEZ. We certainly had adequate time. If it had not been for the people in the Northwest, possibly we could have taken some action. After we were tolerant, and listened to them, they still could not get together. Now all of a sudden they say "Take it." If we had passed this bill last year, we would be out there now looking into the proposal.

Mr. MAGNUSON. The Senator is talking about the Columbia Valley Administration bill.

Mr. CHAVEZ. The Columbia River Administration bill, or any matter, including the bill which the Senator from Washington has pending before the committee.

Mr. MAGNUSON. We in the Pacific Northwest have always been together. We did not want the bill to go to the Committee on Interior and Insular Affairs.

Mr. CHAVEZ. If that were the case, this bill would have been passed last October, instead of being delayed until now. It is now that the committee is expected to take some action.

Mr. MAGNUSON. That is because the bill went to the Committee on Interior and Insular Affairs. It did not go there because of any action on the part of the Senators from the Northwest. My colleagues made the suggestion that the Senator's committee adopt the amendment. However, it went to the Committee on Interior and Insular Affairs. We were not in disagreement about it at all. The delay was caused by the fact that the Committee on Interior and Insular Affairs would not meet. The Senator from New Mexico will recall that both he and I suggested that the committee meet quickly. Since then the Senator from Oregon has had some objection to the basin account, but last fall the rest of us were in complete agreement. We would rather not have had the bill go to the Committee on Interior and Insular Affairs.

Mr. CORDON. Does the Senator from Washington take the view that the September 10 draft of this subject matter had the same legal effect as the present amendment?

Mr. MAGNUSON. Which draft does the Senator refer to? Is the Senator referring to the one I submitted?

Mr. CORDON. That is correct.

Mr. MAGNUSON. It has practically the same effect.

Mr. CORDON. Is the Senator aware of the fact that the pending amendment, not only fails to do what the September 10 amendment did, because the other amendment sought the adoption of the full coordinated report, which this amendment does not, but that, in addition, this amendment would make three major changes in three major substantive laws in the field of public works and power?

Mr. CHAVEZ. That is the objection, Mr. President, which the committee has to the proposed amendment. Objection is not made to the merits of the proposal, but to trying to bring in an amendment at the last moment which changes the basic law.

Mr. MAGNUSON. The Senator from Oregon knows that he and I are in complete disagreement on the interpretation of the language of this proposal. The Senator from Oregon also knows that I submitted, along with my colleague, a proposal to adopt the whole comprehensive report, but we were not successful in that, because it projected itself too far into the future. It was a huge thing. So we then decided, and the Committee on Public Works decided, to project the initial stage of the comprehensive plan, which extends for about 3½ years, or perhaps for a 3-year period, which included some projects involving both irrigation and power. That is what the Committee on Public Works considered, and that is what we testified about.

Mr. CORDON. Will the Senator yield?

Mr. MAGNUSON. Let me finish. The Senator from Oregon places a legal interpretation on the proposed Columbia Basin account amendment. I listened to him very carefully for quite a few hours, and he did a good job in cross-examining the witnesses. I disagree with his interpretation. I do not think the amendment changes any particular law. I think it adds a new practice in an overall matter of the Columbia Basin. The Senator from Oregon disagrees with that. The Committee on Interior and Insular Affairs disagreed with the Senator from Oregon in that, because they voted to report the bill 8 to 4.

I appreciate that there can be a difference of opinion. I am of the opinion, first, that the language in the amendment creating the basin account changes no basic irrigation laws whatsoever; second, that it does change the allocation of power revenues in the sense that it creates a bookkeeping basin account in which the interest component can be used, if Congress so authorizes, to subsidize—one may use any term he chooses—or to aid irrigation projects. That is my interpretation of it. If the Senator disagrees with that, he must disagree, because we have had this disagreement on the basin account for a long time.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Oregon.

Mr. CORDON. Does the Senator recall the provision of the reclamation law under which the Solicitor of the Interior rendered his so-called Solicitor's opinion in 1944, which provision of law, found in the Reclamation Act of 1939, provides for the recovery from power revenues of what is termed interest at 3 percent; and does he recall that that provision was held by the Solicitor not to represent interest at all, but to represent a measure for rate-making and a perpetual requirement in the rate for the particular power development? Is the Senator familiar with that?



Mr. MAGNUSON. I am somewhat familiar with the so-called Solicitor's opinion.

Mr. CORDON. Is the Senator familiar with the statement I have just made? Is it right or wrong?

Mr. MAGNUSON. I am familiar with that, and I believe the Senator is correct in stating that that is what seemed to be the legal effect of his opinion.

Mr. CORDON. Does the Senator recall that he had a second opinion in which he clarified the matter so that there could be no question about it?

Mr. MAGNUSON. I did not see that.

Mr. CORDON. I will read it to the Senator later. If that be the case, then when we turn to this amendment and find there a provision that instead of the 3-percent provision being a rate-making measure, it is to be interest on an unpaid capital investment, would the Senator say that was or was not a change in reclamation law?

Mr. MAGNUSON. I would say it was not a change.

Mr. CORDON. Then I reckon the Senator and I are going to have to agree to disagree in that regard.

Now, one more question, if the Senator will yield.

Mr. MAGNUSON. I yield.

Mr. CORDON. Does the Senator recall that in section 5 of the Flood Control Act of 1944 there is a provision with reference to power, and in that provision the Secretary of the Interior is directed to market power from flood-control and navigation dams, and the direction is—and I quote from the section—that the Secretary "shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles"? The Senator is aware that that is part of that section, is he not?

Mr. MAGNUSON. Yes; that is correct.

Mr. CORDON. Is the Senator aware of the fact that in the amendment there is a provision that the Secretary of the Interior shall fix the rates, and there is no limit whatever as to the ceiling to be placed on them, as there definitely is in the language I have quoted?

Mr. MAGNUSON. There is no limit under the Flood Control Act. It states a blueprint by which the rates should be set, just as in other cases. I cannot recall the language, but there is no limit.

Mr. CORDON. The Senator takes the view that a command that the power and energy be disposed of "in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles" is not a limitation on the power to set a high rate?

Mr. MAGNUSON. It is a blueprint. There is no limit on a rate that could be charged consistent with the blueprint. There is no limitation suggested in the rate suggested here. In other words, the Bonneville Administrator is going to charge the lowest possible rate he can charge consistent with his expenses.

Mr. CORDON. Is there any direction for him to do it?

Mr. MAGNUSON. That is all there is. There need not be a direction. He would get fired if he would not do it, and I suggest that the Senator from Oregon would be the first one to suggest that if he did not do it.

Mr. CORDON. Is the Senator of the view that the two commands as I have stated them represent no change in law?

Mr. MAGNUSON. I do not think they represent any change in law, but a change in certain methods of operation. I do not think they represent a change in the reclamation law at all. I will read the provision to the Senator. On page 7 the amendment says "return of such costs may be taken into consideration under the Federal reclamation laws."

Mr. CORDON. Is the Senator aware of the provision of the Bonneville Act that the rates to be set for power sales shall be approved by the Federal Power Commission?

Mr. MAGNUSON. Yes.

Mr. CORDON. Is the Senator aware of the provision of the amendment that those rates shall be set by the Secretary of the Interior, and that the only place the Federal Power Commission has in the picture is that it will be consulted? Does the Senator feel that that is or is not a change in the law?

Mr. MAGNUSON. If the Senator considers that the Federal Power Commission is more than a consultant now, or advisory, then there would be a change.

Mr. CORDON. If the Senator will permit me, it is not a question of what the Senator from Oregon thinks, it is a question of what the law is.

Mr. MAGNUSON. I do not think they would be more than advisory, or a consultant, now.

Mr. CORDON. The Senator will agree, however, whatever his views in that field may be, that the law, that is, the Bonneville law, requires the approval of rates by the Federal Power Commission, and that the Senator's amendment will put the sole power of fixing rates in the hands of the Secretary of the Interior, and require him only to consult the Power Commission?

Mr. MAGNUSON. The effect of the amendment is, of course, the establishment of the Federal Power Commission as a consultant body to advise the Secretary in setting the rates. The effect of the present system is that the Federal Power Commission acts in reverse, but I think the legal effect of the Senator's opinion would be to change it in that respect, in that they act as advisory anyway, but they have never been known to change. If the Bonneville Commission came up with a rate, and the Federal Power Commission said, "We do not like it," there would be nothing to do about it.

Mr. CORDON. Approval is required by the law, and, of course, to me the word of the law is a command. Maybe it is not to the Senator.

Mr. MAGNUSON. Oh, Mr. President, I have nothing to do with the administration of the law. I said the Senator is correct, that it does change it to that extent.

Mr. CORDON. Mr. President, will the Senator again yield?

Mr. MAGNUSON. Yes.

Mr. CORDON. Is the Senator aware of the present provisions of the Bonneville Act with reference to allocation of costs under the direction of the Power Commission?

Mr. MAGNUSON. I am generally familiar with that. The Senator probably can quote the language. I wish I had the act here.

Mr. CORDON. Is there any provision in the amendment for any allocation of that character other than an allocation by the Secretary, after discussion? I frankly state that it is not of great moment, but I simply wanted to get some of the legal differences in the two provisions out into the clear where we can see them.

Mr. MAGNUSON. I may not be accurate, I will say to the Senator from Oregon, because I want to refresh my memory of the Bonneville Act, but I know that the purpose of the amendment is not to touch any of the provisions of allocations of costs within the Bonneville Act itself and within the Bonneville Authority. It does not deal with the allocations of costs, and if it can be interpreted to do so, then the language should be modified so that it does not. I am in no disagreement with the Senator on that point. The allocations of costs within the framework of power and the allocations of costs in the construction of other matters in the Bonneville Authority, which operates the Bonneville pool, should remain intact, and do remain intact, according to my interpretation.

Mr. CORDON. On page 5 of the Bonneville Act, which is Public Law—

Mr. MAGNUSON. Whatever the act is, the amendment does not attempt to change any of the allocations of costs.

Mr. CORDON. May I read it to the Senator so we can consider that point?

Mr. MAGNUSON. Very well.

Mr. CORDON. I am reading now from page 5 of the Bonneville Act:

Rate schedules shall be based upon an allocation of costs made by the Federal Power Commission.

Is the Senator familiar with the provisions of the amendment with reference to those allocations of costs and who shall make them?

Mr. MAGNUSON. I do not recall any place where we change that matter regarding Bonneville. We do not change it regarding Bonneville. The amendment changes the allocation.

Mr. CORDON. Does the Senator recall his amendment, that is the amendment of the Committee on Interior and Insular Affairs?

Mr. MAGNUSON. Let me complete my answer. I am trying to refresh my recollection of the amendment.

Mr. CORDON. Pardon me.

Mr. MAGNUSON. I read:

(d) Allocations of construction costs for projects authorized in this act to be constructed in the Pacific Northwest, and for other projects included in the Columbia Basin account as to which allocations have not heretofore been made, shall be the responsibility of the Secretary of the Interior in the case of the projects constructed or to be constructed by the Department of the Interior, after consultation with the Secretary of the Army as to allocations to flood control and

navigation and with the Federal Power Commission as to allocations to power. Such allocations shall be the responsibility of the Secretary of the Army in the case of projects constructed or to be constructed by the Department of the Army, after consultation with the Secretary of the Interior in the case of allocations to irrigation and the preservation and propagation of fish and wildlife, and with the Federal Power Commission and the Secretary of the Interior with respect to allocations to power.

The authority of the Bonneville Authority to make its allocations to the present project is not touched at all.

Mr. CORDON. Will the Senator agree with me that the amendment with respect to rates and the setting up of the separate account that is necessary in connection with the interest subsidy provides that it shall apply to projects heretofore and herein authorized and hereafter to be authorized?

Mr. MAGNUSON. Certainly. All the features of the basin account projects would apply to projects hereafter. They are not retroactive.

Mr. CORDON. Then when the matter arises in the Senator's own State with reference to the greatest single subsidy to be found in the amendment, namely, the \$432,000,000 subsidy in the Columbia Basin, and new allocations of costs are necessary, what is the Senator's view as to who shall make them under the amendment?

Mr. MAGNUSON. I will have to apologize to the Senator. My colleague asked me a question. I did not hear the whole question. If the Senator will repeat it.

Mr. CORDON. If the Senator will permit, I shall do so. I call the Senator's attention first to the fact that the rates to be established shall be based upon certain information with respect to projects heretofore and herein authorized and hereafter to be authorized. One of those projects is the Columbia Basin account in the Senator's own State.

Mr. MAGNUSON. Yes.

Mr. CORDON. The testimony before the committee was that increased prices and changes in plans are going to require a different cost allocation in the future.

Mr. MAGNUSON. For the Columbia Basin.

Mr. CORDON. Yes, for the Columbia Basin. That project represents the largest single subsidy charge against the so-called interest component, some \$432,000,000 is the last figure. But the officials are not sure that it will not be millions of dollars more than that. They cannot tell because the project extends over a period of years. Who will make the new allocations with reference to that project for rate-making purposes under the committee amendment?

Mr. MAGNUSON. The Bonneville Authority.

Mr. CORDON. Will the Senator sometime find for me in the law where that authority exists?

Mr. MAGNUSON. No; we do not in the amendment deal with the Bonneville authority to make rates.

Mr. CORDON. But does not the amendment provide that the Secretary shall have the sole power to make the rates?

Mr. MAGNUSON. No; we do not provide that he shall have the sole power to make the rates. We do not change the Federal reclamation law. The Senator is a distinguished member of the Senate Appropriations Committee. I do not know whether the committee has had the Columbia Basin project before it; but the House committee found that the cost had gone down approximately 10 percent, or approximately 10 percent, below what was anticipated when the first budget estimate was made. If that be true the costs in the Columbia Basin, in the next 2 years before the project is finished and the land begins to come in for cultivation in about 2 or 2½ years, will be much less.

Mr. CORDON. May I suggest to the Senator that if that be the case, by the simple expedient of adopting the substitute amendment of the Senator from Oregon in the place of the amendment of the Committee on Interior and Insular Affairs, there will then be in existence sufficient subsidy to pay for all 13 reclamation projects which are set out in the committee amendment, and the amendment of the Senator from Oregon, and all existing projects for which the testimony indicated subsidy might be needed. That would be two extra in the Senator's own State. Then we could start at scratch at that time, and determine the over-all question of policy, and do it in connection with the Public Works Committee, which has an equal interest with the Interior and Insular Affairs Committee in the substantive law.

Mr. MAGNUSON. I am glad the Senator used the words, "in connection with the Public Works Committee." I hope that in the future there will be a connection, because surely the connection has been disjointed, or at least broken loose in this particular case.

I will say to the Senator from Oregon, that I appreciate we are dealing with a highly technical method of administration of what we call the basin funds. I appreciate that the Senator from Oregon has made an earnest study of this matter and knows a great deal about it. He did yeoman work in the Committee on Interior and Insular Affairs, where he brought out many facts. The Senator spent almost a week, pretty nearly every morning and a part of every afternoon, discussing the matter and cross-examining witnesses from the Bureau of Reclamation and from the Department of the Interior.

Mr. CORDON. The Senator is most kind.

Mr. MAGNUSON. The committee also listened, but the committee thought the suggestion which had been made—and it is not my suggestion wholly—and the language proposed for the basin account, as it came from the Bureau of the Budget, from the Department of the Interior, and from the Corps of Army Engineers, probably was the best method by which to approach this problem; and the committee so voted.

I am not so sure; I am not always sure that I am right about these matters. Perhaps the Senator's idea might be just as good. I intend to listen to him very

intently, as I did during many days of the hearings.

I know that those who are charged with the responsibility of keeping the rates low and with the responsibility of developing power and developing the comprehensive potential of the great Columbia Basin, have been rather unanimous in suggesting that the basin account, under language of this type, be established. They suggest it because they say it is the only hope of keeping power rates low. It is also the hope for making a studied and carefully planned development of the area at a minimum cost.

I base my thinking somewhat on the thinking and conclusions of those persons. As my colleague has said, I know of no opposition in the committee. The committee made a deep study of this matter. I have great respect, as does the Senator from Oregon, for Dr. Raver, who runs the Bonneville Authority. He has told me flatly that without the basin account, he feels that he may have to raise rates. He explained that he believes he should have the basin account. I have said to the Senator from Florida that even then as the report states, the rates may have to be raised. However, Dr. Raver, who is the best authority on this matter, says he hopes he can keep the rate at \$17.50; but he says that without the basin account, he has no chance of doing so. I accept his word, because he is the man who makes the rates.

Mr. CORDON. The Senator recalls the testimony, of course, which is to the effect that rates have to be raised, anyway; does he not?

Mr. MAGNUSON. That is not my information from Dr. Raver. I agree with the Senator that there are some who feel that rates may have to be raised slightly, anyway. However, with construction costs going down, it may be that with the Columbia Basin pool it may not be necessary to raise rates.

In any event, Dr. Raver—who is the best authority on this matter, and he has to set the rates, and he has to administer the Bonneville power pool—says that without the basin account, for which he has proposed the language to be included, and which he has gone over and over, and which he has discussed with everyone in the Department who is concerned and with everyone else who is concerned and interested, he will have to raise the rates.

Of course, I shall not get into disagreement with the Senator from Oregon. However, in addition, every governor of every State involved in the basin has put his stamp of approval upon this method of allocation. All of them may not have read the exact language proposed for the basin account, but it has been submitted to them rather in detail.

I should like to place in the RECORD the recent letters from the Department of the Interior and from the Secretary of the Army. Let me read what the Secretary of the Army says about the basin account, as proposed under the present wording. I read now from a letter dated April 6:

This Department supports also the proposed amendment transmitted with the



letter of February 1, 1950, from the Director of the Bureau of the Budget to the Secretary of the Interior insofar as it may affect the projects and duties of the Corps of Engineers and I have no objection to the parts thereof which pertain to the Department of the Interior and only indirectly to the Department of the Army. Specifically in response to your letter, I concur in the proposal to include the revenues and costs of power projects of the Corps of Engineers in the basin account.

Sincerely yours,

GORDON GRAY,  
Secretary of the Army.

The letter from the Secretary of the Interior is practically to the same effect. Mr. President, without burdening the Senate by reading the two letters in full, I ask unanimous consent that they may be printed at this point in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,  
Washington, D. C., April 6, 1950.  
Hon. WARREN G. MAGNUSON,  
United States Senate.

DEAR SENATOR MAGNUSON: I have your letter of March 22, 1950, requesting a brief statement of my views regarding the proposed amendment to H. R. 5472 as transmitted by the Director of the Bureau of the Budget under date of February 1, 1950.

The agreement of April 11, 1949, between the Department of Interior and the Department of the Army included an item (No. 6) to the effect that financial assistance from all power revenue-producing projects in the Pacific Northwest should be pooled and extended to aid irrigation under principles consistent with those embodied in reclamation law, and it contemplated the establishment of a basin account. The Chief of Engineers and I continue to be in full accord with this item of the agreement of April 11, 1949.

This Department supports also the proposed amendment transmitted with the letter of February 1, 1950, from the Director of the Bureau of the Budget to the Secretary of the Interior insofar as it may affect the projects and duties of the Corps of Engineers and I have no objections to the parts thereof which pertain to the Department of the Interior and only indirectly to the Department of the Army. Specifically in response to your letter, I concur in the proposal to include the revenues and costs of power projects of the Corps of Engineers in the basin account.

Sincerely yours,

GORDON GRAY,  
Secretary of the Army.

UNITED STATES DEPARTMENT  
OF THE INTERIOR,  
Washington, D. C., April 4, 1950.  
Hon. JOSEPH C. O'MAHONEY,  
Chairman, Interior and Insular Affairs  
Committee, United States Senate,  
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: Your letter of March 29 asks for my views on the desirability of enactment of the amendment to H. R. 5472, to authorize certain projects for construction by the Bureau of Reclamation in the Columbia Basin and to authorize the establishment of a Columbia Basin account.

This Department is in full accord with these purposes of the proposed amendment, and particularly the establishment of a Columbia Basin account.

Establishment of a basin account is felt by the administration to be most necessary to provide for proper accounting, uniform

rate making, and a method of obtaining financial assistance for irrigation projects. As you know, the establishment of a Columbia Basin account was recommended in the agreement which was signed on April 11, 1949, by the Secretaries of the Army and the Interior, and the Commissioner of Reclamation and the Chief of Engineers.

It is noted, however, that by changing the word "may" to "shall" in what is now line 4, page 7, of the proposed amendment, the committee has changed the amendment as recommended by the Director of the Bureau of the Budget in his letter of February 1, 1950, by making it mandatory for the Secretary of the Interior, in setting power rates, to take into account the interest component to the extent permitted by reclamation law. Under the original language recommended by the Bureau of the Budget such use of the interest component would have been discretionary. The choice of "may" was deliberately made and was thought to be preferable in view of reference by the President of the whole subject of the sources of reclamation subsidy to the Water Resources Policy Commission for study and recommendation. The Bureau of the Budget has advised that there is no objection to the presentation of the foregoing views to the Congress.

Sincerely yours,  
OSCAR L. CHAPMAN,  
Secretary of the Interior.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LEHMAN. I should like to ask a question of the Senator from Oregon.

Mr. CORDON. The Senator from Washington has the floor.

Mr. LEHMAN. He has yielded to me; has he not?

Mr. MAGNUSON. Yes.

Mr. LEHMAN. I ask unanimous consent for that purpose.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from New York may ask the question.

Mr. LEHMAN. I ask the question because my interest is in the multiple-purpose projects. I am as much interested in reclamation and irrigation as I am in the development of cheap power.

I share the views of the distinguished Senator from Washington in my very high regard and respect for the knowledge the Senator from Oregon has of this subject. I believe that no Member of the Senate has a wider knowledge of the problems of power and reclamation and irrigation than he has.

Mr. CORDON. The Senator from Oregon is deeply appreciative.

Mr. LEHMAN. I cannot see how it is possible, without a basin account—which would make possible the appropriation by Congress of a part of the revenues coming from the development of power, and notably the interest component—to develop the great program which I hope will continue in irrigation and reclamation. Otherwise, I do not see how that program can be brought into being. It seems to be absolutely impossible for it to be developed unless the means are at hand to make the interest component and possibly other parts of the revenues or profits which come from the development of power, available for use for the development of the reclamation and irrigation projects. Otherwise, I do not see how we can go ahead with these greatly needed reclamation and irrigation proj-

ects, which in my opinion are of the greatest importance not only to the States affected, but, as I have said earlier today in my remarks, to the country as a whole. I should like to have the Senator explain that point.

Mr. CORDON. Mr. President, I am happy to attempt to make the explanation.

First, I wish to say to my friend, the junior Senator from New York, who was one of those who were most assiduous in their attendance at the hearings, and who showed a deep interest in a subject matter which must, of necessity, have to a very great extent been very strange to him, and whose questioning indicated an objective mind, that I shall do the best I can to answer what I know is a problem which he feels needs an answer. Let me say that the Senator from Oregon feels, likewise, that the question must be answered.

First, Mr. President, it has been stated here many times—and certainly there can be no question about it—that in the West, reclamation on the basis of a 100 percent repayment from water users is almost a thing of the past. There no longer exist lands which can be reclaimed so that from the proceeds of the lands themselves the total cost of the reclamation can be paid back to the Government, without interest, in the 40-year period or in the period of 40 years plus the additional 10 years which the law provides. That type of land no longer exists. Therefore, if there is to be reclamation in the West; if new, raw, arid lands are to come under the plow; and if all the advancement incident thereto and in anywise related thereto is to go forward—which means homes and everything else connoted thereby—we are faced with the necessity of taking a part of this burden from the individual who uses the water. The Senator from Oregon feels, however, that there is only one way to do so, namely, by setting up a balance sheet. Let us say that it will cost so much money to reclaim an acre of land. It is worth only so much to the individual who will make his living on it. Subtract the latter from the former, and charge the difference directly to the Federal Treasury, in the same way that we would charge any other nonreimbursable expense to the United States.

In doing so, let me say that Congress would find itself faced with a new responsibility, one which it should face, and one which it ought to discharge, namely, that of careful scrutiny as to the extent to which we can justify that type of subsidy, because there must be some point at which too much is paid for what is received. Although we in the West want the other sections of the United States to be understanding and generous when it sets that yardstick, yet we cannot expect it to set the yardstick at some fantastic point, so that the investment which must go into the land will be so disproportionate to the value to come out of the land as to be wholly ridiculous.

That means, if the Senator will bear with me a moment more, that one of the chores that he and I have in our committee is to go deeply into this matter,

set up that type of yardstick, and present it frankly and fully to the Senate, so that every Senator who seeks to understand will understand the basic principles under which we are asking this assistance to develop the arid areas of the West. We should not, as is here sought to be done, set up a ghost account, an account that is nonexistent, and to charge against it in the name of irrigation and reclamation what is actually the difference between what is put into the land and what its use is worth to the man who cultivates it, and say it is payment; because it is not payment. When we get that clear in the minds of the Senate and of the House and the people of the United States, we shall have a better chance, because it will be a logical procedure and we will be honestly laying our cards face up on the table. I hope we will do so. I thank the Senator.

Mr. LEHMAN. I thank the Senator. I have but one more question. I fully agree with the Senator from Oregon that the final arbiter with regard to appropriations must be the Congress, but is it not a fact that the sums which will go into the proposed basin account are also subject to appropriation, and that they cannot be arbitrarily spent?

Mr. CORDON. The answer to that question requires more careful consideration of the meaning of this amendment than has been given it on the floor up to now. The philosophy inherent in the amendment has its beginnings in an opinion of a solicitor of the Department of the Interior back in 1944, as to the meaning of the 1939 Reclamation Act. It has been attempted in this amendment to use that opinion as the law in reclamation and to apply it and make it workable in the Pacific Northwest with respect to all public power projects. We have overlooked utterly the fact that, (1) the opinion is unsound, (2) it has not been effective or in effect. The very case which was the occasion for its being sought, namely, the Columbia Basin case, and with respect to which it was supposed to be a direct answer, is the one case to which the Department of the Interior has never applied it, and is the one place to which the head of the executive department of the United States, the President, in a letter over his own signature, said it must not be applied until there is additional congressional action.

We must remember all those things before we attempt to apply that sort of broken-leg interpretation in connection with the amendment which is now pending and which seeks to include within the operation of an inoperable and inoperating act the projects of the Pacific Northwest in the power field. We must have all that at hand, I may say to the Senator from New York, before his question can even have an approach to an answer.

To simplify the picture, I would say that solely the power in the Pacific Northwest, generated by dams built by the United States, would come under the basin account. The provisions of the amendment are that rates shall be charged sufficient to return the capital investment to the Federal Treasury, plus

interest on the unpaid capital investment at 3 percent per annum, or whatever the percent may be, and that at the same time for reclamation projects we are to spend in case of the Mountain Home project \$1,040 an acre, of which the water user can return only \$100, so there is to be spent in order to reclaim the land \$940 an acre more than the land will pay back.

Over here we have an unrelated power project which is paying itself out. It was built with money that came from the Federal Treasury, borrowed from the people of the United States, in itself carrying an interest charge; so its use carries an interest charge to offset the cost to the Government. Yet in the case of this other power project it is expected that the interest which is paid on it and which goes into the Federal Treasury, not only as it is paid in, but any other amount that may be paid in, or that might be paid in if the project were built, shall be set up as a credit, against which the \$940 can be charged. There is no money there; the money has gone in as interest; there is nothing against which to charge it. It is a ghost account. We set up the overcharge for the reclamation, the \$940, against that nonexistent account, and mark it paid. That is subsidy. But the worst of it is, it is concealed subsidy, and we must not have that when we enact law.

Mr. LEHMAN. I thank the Senator.

Mr. MAGNUSON. Mr. President, the Senator from Oregon has stated the facts and figures very well, but I think what he forgets is, first, there is another philosophy, to which the Senator from Oregon does not seem to adhere. It is the philosophy of an over-all development of a river which includes power, reclamation, flood-control and navigation. One should help the other, and vice versa. The premise of the Senator from Oregon would be true if we were only developing power projects in the Columbia Basin and wished to have no future for irrigation projects. We have approached this amendment with another basic philosophy, that there should be this give-and-take among the multiple purposes in the development of the valley.

I agree with what the Senator from Oregon says regarding a given project. I think it should be considered. As a matter of fact, we have had some discussion about the Mountain Home project here today. There are a number of projects, and we have reached the point where there are going to be some doubtful projects.

But this amendment does not attempt to tell the Congress that it shall not look closely and carefully at every irrigation project. It does not say that the power interest component must be used. It is a matter of bookkeeping. It is not hidden. The Treasury knows how much comes in by way of interest and how much is paid out. The amendment does not touch that. There is nothing ghostly about the fact that the Federal Government appropriates so much money for project A. It can say, "We might be a little more lenient with project A because the whole river system, all the projects leaning on each other, has

placed this much money in the Treasury, and, therefore, we can afford to give a little more money to project A."

All those facts are open and above board. As a matter of fact, when the Mountain Home project reaches the Appropriations Committee, the Senator from Oregon [Mr. CORDON] will know, down to the last red penny, what it will cost, and if it is not justified, the committee will reject it. We merely say that this account should be established so that the over-all project can be developed in that way. We cannot say we are going to develop only power.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. I want to present to the Senator a view with which I believe he will be most sympathetic. I suggested to the Senator from New York [Mr. LEHMAN] that when we have first determined the yardstick, to measure the extent of the subsidy, when we apply it, we charge that portion of the cost of irrigation, beyond the means of the water users to repay, as a reimbursable national investment. When I make that statement, it is a considered statement.

I may say to the Senator from Washington that the very reason this matter is before the floor of the Senate—and the Senator and I differ in some respects with reference to it—is that there are reclamation projects in the Columbia Basin which happen, geographically and topographically, not to be situated so that they can gain support from a power project. As has been said in the report, nothing but the accident of geography makes that result. We now seek to overcome, in the Pacific Northwest, that geographical and topographical accident by applying certain revenues to the use of the reclamation excess cost. If that be sound—and I am not prepared to say it is not sound—for the Pacific Northwest, can it be said that when we leave the boundaries of the Pacific Northwest it ceases to have soundness? If it be a sound plan to adopt, should not the Senator from Utah [Mr. WATKINS], who happens not to have in his State an area which is blessed, as is ours, with "white coal" running down the Columbia Basin, have his area deemed to be unfortunate, geographically and topographically, and entitled to the same treatment as are the areas which are blessed with an opportunity for a power subsidy in the Pacific Northwest?

Mr. MAGNUSON. I think the area to which reference has been made can have the same sort of an agreement, because it is also part of a river basin. We have to outline these things in some respects. It happens that the Columbia Basin project, although a large one, as the Senator well knows, can adjust itself to this sort of thing, and I am sure the State of Utah can do likewise, in some respects. I do not know whether it will set a pattern, but the Senator knows—he is an authority on irrigation and reclamation law—it is nothing new. There has always been an allocation of costs, and the Public Works Committee recognized that fact in the Missouri Valley comprehensive plan and in the Rio Grande plan, not in the same language as in connec-



tion with the Columbia Basin account, but according to the general principle.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. CORDON. The point the Senator from Oregon desires to make is that everywhere in the United States where reclamation is necessary or where a project can be established, where the benefits to be received justify the expenditure involved, the people should have the same break under Federal law. We must legislate for people, and if we make the charges in connection with reclamation what they should be, then wherever in the United States there is land which can be reclaimed on a sound basis, we may have it reclaimed, and we do not need to piddle around to try to see if it is in this basin or in that basin, whether there is power or whether there is no power. Let it rest, as it should rest, upon the sound foundation of need and national interest. Then we may continue, wherever there is power, to collect our revenues, which go into the Federal Treasury to increase the Government's ability to carry on our national program as it may from time to time be determined and changed.

Mr. MAGNUSON. The practical effect of what the Senator has said will be realized if the amendment is adopted. All the projects will have to be approved by the Congress on their individual merits. They all must stand on their own feet. Congress will give a project in the Columbia Basin as to the feasibility of it, the same treatment it would give a project in Utah. In the Columbia River Basin what the Senator has called "white coal" flows, and we have taken advantage of it and have developed this potential; and power, flood control, navigation, and irrigation become almost inseparable in some projects. It might be well for the Government, through the use of all the facilities of the basin, to use some of the money to help a project which is not so feasible. But to effect that result, each project must come to Congress and stand on its own merits.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WATKINS. I note the reference to the Utah situation made by the Senator from Oregon [Mr. CORDON]. I think we should get along much better in this debate if we got back to first principles announced in the reclamation law when it was passed. It has to do with a repayment of the costs of projects. At that time contracts were made with water users whereby they were to repay the cost of the project on an amortized basis. We have now gone beyond that point. We have gone beyond individual projects and have gone beyond the time when we construct small projects on small streams. We have now reached the multipurpose developments, and we shall probably not have anyone to sign the repayment contracts because the United States is going to build projects and will be in the public utility business.

I introduced a bill yesterday to consider multipurpose projects of all kinds and types on a river basis. I proposed that we organize water users' associations made up of States and the interests

of the States to sign repayment contracts. I do not say how much they would have to repay, except that it would be the cost of the project. There would be a contract signed by the interstate entity created under the act. It would pay the interest and, if necessary, all the costs. That could be done from the over-all revenue coming from the entire river. Industrial and municipal users could pay, and the over-all income might be large enough to repay the entire cost. If the United States insists upon interest, within a reasonable time the interest could likewise be paid.

It seems to me that we are missing the fundamental basis of the subject which we are now discussing. We are assuming, I take it, that under the basin-account proposal the United States itself would be in the utility business and would operate these giant projects. My proposal takes that thought out of the picture. Under my proposal the United States would fulfill its historic role of building the project, but not operating it. It would proceed under the original provisions of the Reclamation Act, by allowing water users to repay the cost, and permitting the water users to own and control the project after they had repaid its cost, subject to whatever provisions are laid down for fixing rates for the power which is developed in connection with the water project. Power is one of the attributes of a water development. It is the same water which is being used for irrigation purposes. The power levees would be held in trust by the interstate associations for the purpose of seeing to it that the development was taken care of. My proposal would eliminate what we are now discussing, namely, this phantom, this ghost, the basin account. The proposal would apply to any interstate river system, which would include—and I have made some studies of the subject for 14 years and have had many years of experience with it—the Columbia River, the upper and lower Colorado River, and the entire interstate river systems of the arid West.

It would eliminate the problem which the Senator from Oregon is talking about. There would be no subsidy under this plan. It might take a long time to pay for it, but revenue derived from power, and the other revenues, would repay the entire cost. Furthermore, if the Government said that interest must be paid, that would be paid, too.

Mr. MAGNUSON. What we are attempting to do is to pay the cost of the project, so that the Federal Government will not be out anything on the cost of it.

I now yield to the Senator from Rhode Island for the purpose of making an insertion in the RECORD.

#### COMMUNISTS IN GOVERNMENT SERVICE

Mr. GREEN. Mr. President, I do not like to interrupt this interesting debate. However, two letters, which I should like to present to the Senate at this time, will illuminate for my colleagues one of the problems which faces the subcommittee of the Committee on Foreign Relations which was appointed to hear charges of disloyalty against employees of the Department of State. The first letter,

which is addressed by myself to Dr. Luther Harris Evans, the Librarian of Congress, reads as follows:

APRIL 7, 1950.

Dr. LUTHER HARRIS EVANS,  
Librarian of Congress,  
Library of Congress,  
Washington, D. C.

MY DEAR DR. EVANS: In a speech on the floor of the Senate on March 30, 1950, Senator JOSEPH R. MCCARTHY quoted the following which he said he had obtained from the Library of Congress:

"At the present time Lattimore is in Afghanistan. While the State Department denies he has any connection with it, the following information was obtained from the Library of Congress:

"The Afghanistan Government asked the United States in December 1949 to send a preliminary mission to Afghanistan to investigate the possibility of economic development under United Nations technical assistance program. Owen Lattimore was selected to be the head of this mission, which included a Mr. Caustin of the United Kingdom who is a member of the United Nations Secretariat; a Mr. Kirk of Canada, who is with the United Nations Food and Agriculture Organization; and a fourth member, an engineer, whose name is not known. The purpose of this mission was to pick out some key economic projects which might provide the basis for long-term assistance.

"In other words, Mr. President, the Afghanistan Government asked this Government to send a preliminary mission there to investigate the possibility of assistance under our point 4 program. That is the program which Hanson is now planning." (CONGRESSIONAL RECORD, p. 4385, column 3.)

Again on page 4391, column 1, of the CONGRESSIONAL RECORD, Senator MCCARTHY referred to information he had obtained from the Library of Congress in the following language:

"Mr. MCCARTHY. This is information which I got from the research branch of the Library of Congress; I called the State Department, but I could not get this information there. The Library of Congress gave me this information: namely, that the Afghanistan Government asked the United States in December 1949 to send a preliminary mission to Afghanistan to investigate the possibilities of utilizing the point 4 program in that area; that Owen Lattimore was selected to head that delegation; and that he is in that area or has recently returned therefrom."

In a discussion on the floor with Senator DONNELL the following statements were made:

"Mr. DONNELL. In whose behalf is it that the Senator understands that Mr. Lattimore is now in Afghanistan working out the point 4 program?

"Mr. MCCARTHY. All I can say is, the Afghanistan Government asked our State Department to send a man. They said, 'We will send Owen Lattimore.' I think perhaps the Senator will find that he is on the pay roll of UN; of course, being paid American money.

"Mr. DONNELL. Mr. President, will the Senator yield for a further question?

"The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Missouri?

"Mr. MCCARTHY. I yield.

"Mr. DONNELL. Am I correct in understanding the Senator a few minutes ago to say that the State Department was requested to send a man to Afghanistan on the matter to which he has referred?

"Mr. MCCARTHY. That is correct.

"Mr. DONNELL. And that Mr. Lattimore was sent by someone on that mission? Is that correct?

"Mr. MCCARTHY. He was picked by the State Department and sent on that mission.

"Mr. DONNELL. And that was in the year 1950, was it?"

"Mr. MCCARTHY. That is correct." (CONGRESSIONAL RECORD, p. 4392, column 1.)

In view of the above statements that were made on the floor of the Senate, I would appreciate your advising me if the information quoted by Senator MCCARTHY is in fact correct. If such information is in error, I would, of course, like to be advised what corrections are necessary.

Yours sincerely,

THEODORE FRANCIS GREEN,  
Chairman.

In reply to my letter, Dr. Evans wrote me as follows:

THE LIBRARIAN OF CONGRESS,  
Washington, D. C., April 10, 1950.  
The Honorable THEODORE FRANCIS GREEN,  
The United States Senate,  
Washington, D. C.

DEAR SENATOR GREEN: In response to your letter of April 7, I beg to report that the Library of Congress knows of no information to the effect that the Afghanistan Government ever made a request to the State Department in relation to the Owen Lattimore mission; to the effect that the United Nations consulted the State Department on Dr. Lattimore's appointment to the mission; to the effect that the State Department recommended Dr. Lattimore for this assignment, or to the effect that Dr. Lattimore's expenses on this trip and any salary or fee which may be involved are a charge on the United States, except in the sense that the United States is one of the contributors to the United Nations treasury.

It is our understanding that the Afghanistan Government made a request to the United Nations in December 1949, for a technical assistance mission, that the United Nations responded by sending a preliminary survey mission to investigate the possibilities of a program of technical assistance and general economic development, and that the United Nations Secretariat chose Dr. Lattimore as one of the members of this preliminary survey mission.

Respectfully submitted,

LUTHER H. EVANS,  
Librarian of Congress.

It seemed to me that this correspondence would help to clarify the work of the senatorial subcommittee, and throw strong light on some of the problems with which it has to deal.

I sincerely thank my distinguished colleague, the Senator from Washington, for the privilege of permitting me to introduce these letters into the RECORD at this time.

#### LEGISLATIVE PROGRAM

Mr. HOLLAND. Mr. President, I understand that the Senator from Washington [Mr. MAGNUSON] has not concluded his remarks, and that it will take him some little time to do so. I understand also that the Senator from Vermont [Mr. AIKEN] has some remarks he has been waiting all day for an opportunity to make. Likewise there is an executive calendar containing several nominations to which there is no objection, which should be taken up.

In this situation, Mr. President, I ask unanimous consent that when the Senate reconvenes tomorrow at 12 o'clock the Senator from Washington [Mr. MAGNUSON] may be recognized as having the floor for the continuation, uninterrupted, of the speech which he has been making.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

#### POLITICAL EXPENDITURES FROM PRODUCTION AND MARKETING ADMINISTRATION FUNDS

Mr. AIKEN. Mr. President, I rise rather reluctantly to call the attention of this Senate to a matter which seriously concerns all persons interested in the welfare of American agriculture.

I wish the junior Senator from Minnesota [Mr. HUMPHREY] were present, because I am sure he would be interested in what I have to say, but inasmuch as he is not, he will have to read my remarks in the RECORD tomorrow.

On April 3 and 4 the county committees of the Production and Marketing Administration for the State of Minnesota met in St. Paul. This was an annual meeting, a perfectly proper meeting called for the purpose of developing an agricultural conservation program for 1951.

These programs have generally been beneficial to each of the 48 States and to the national agricultural economy.

The 2-day meeting of the county committees at St. Paul was for a perfectly logical and legitimate purpose.

However, Mr. President, an incident connected with this meeting was, in my opinion, neither logical nor legitimate.

It appears that the Secretary of Agriculture was slated to address this meeting on the afternoon of the second day, April 4.

Evidently it appeared to the sponsors of this conference that members of the county committees alone gathered for the purpose of formulating the 1951 program would not provide a sufficient audience for the Secretary, and, so, under date of March 16, 1950, a notice was sent to all the 5,000 community committeemen of the PMA in the State of Minnesota and signed by Charles W. Stickney, chairman of the Minnesota PMA committee. This notice, in effect, directed these 5,000 community committeemen to attend the meeting at 2:30 on the afternoon of April 4 to listen to the Secretary's speech. I now want to read this notice sent by Mr. Stickney to the PMA community committeemen of Minnesota.

I wish to make it clear that the county committeemen were in their annual 2-day meeting at St. Paul, and this notice which I shall read was sent to the 5,000 community committeemen:

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
PRODUCTION AND  
MARKETING ADMINISTRATION,  
St. Paul, Minn., March 16, 1950.

DEAR COMMUNITY COMMITTEEMAN: In order to give you an opportunity to meet and hear our Secretary of Agriculture, Charles F. Brannan, and the Administrator of our Production and Marketing Administration, Ralph Trigg, the State committee has arranged for you to attend the second day of the annual Minnesota County PMA Committee meeting in the arena of the St. Paul Auditorium, on Tuesday, April 4.

The meeting will open at 10 o'clock, and Administrator Trigg's speech is scheduled at 11 on Tuesday morning, April 4. Secretary Brannan will speak at 2:30 in the afternoon.

Mr. President, that is the last reference made to Mr. Trigg, who, I judge from the newspaper reports, did not speak anyway. The emphasis in this directive, or invitation, is placed upon turning out to hear the Secretary of Agriculture. I continue the invitation:

The decline in farm prices has placed even greater emphasis on the price-support program which we in PMA are administering. We know you realize how controversial this subject has become. We feel it is extremely important for you community committeemen who represent agriculture at the grass roots, to have this chance to hear your secretary who is making a terrific fight to maintain some measure of economic stability for farmers.

Our production picture has changed since the war as it pertains to basic crops such as wheat and corn. With acreage allotments come diverted acres and we want to be sure that land taken out of wheat and corn this year will be put to the best possible conservation use as far as practical. We feel sure that giving you an opportunity to hear your administrator on this subject will give you renewed enthusiasm and a broader understanding of the problems which now confront us.

A travel allowance is being authorized for community committeemen—

Five thousand of them, mind you—

who attend this meeting. We are asking that you contact other committeemen and try to make arrangements to pool rides. If you drive your own car, and are accompanied by one or more passengers, you may make a claim for 5 cents a mile. It will be necessary for you to keep an accurate record of the mileage in this event.

If you come either by bus or train, buy your ticket and get a receipt for it. You must submit this receipt to the county office in order to be reimbursed for your fare.

You will receive a regular day's pay for attending the meeting. For community committeemen who live some distance from the Twin Cities and require traveling time which would exceed the 1 day, up to 2 days' salary will be authorized.

We feel this is an opportunity which you, as committeemen cannot afford to miss. We strongly urge you to attend this meeting.

Sincerely yours,

CHARLES W. STICKNEY,  
Chairman, Minnesota PMA Committee.

I call particular attention to certain sentences in this letter. I quote:

We feel it is extremely important for you community committeemen who represent agriculture at the grass roots to have this chance to hear your secretary who is making a terrific fight to maintain some measure of economic stability for farmers.

We can well imagine, Mr. President, that upon having the importance of his attendance at this meeting on April 4 so emphasized that very few committeemen would feel like refusing to attend the meeting.

However, if we read further along in the communication, we find that special inducements were made to secure the attendance of these 5,000 local committeemen, and I quote again:

A travel allowance is being authorized for community committeemen who attend this meeting. We are asking that you contact other committeemen and try to make arrangements to pool rides. If you drive your own car and are accompanied by one or more passengers, you may make a claim for 5 cents a mile. It will be necessary for you to keep



an accurate record of the mileage in this event.

So we see here the offer of the payment of mileage to a community committeeman so long as he brings a carload of neighbors with him.

Certainly, this was intended to make sure of a large attendance as the meeting was not restricted to committeemen alone.

If the committeeman elects to come by bus or train, the communication states that he will be reimbursed for his fare. Finally, we read this:

You will receive a regular day's pay for attending the meeting. For community committeemen who live some distance from the Twin Cities and require traveling time which would exceed the 1 day, up to 2 days' salary will be authorized.

Thus we see, Mr. President, that these 5,000 community committeemen were virtually instructed to appear at the St. Paul meeting to listen to Secretary Brannan and were to be reimbursed for travel expenses and per diem of \$8 a day for either 1 or 2 days.

What right the Department of Agriculture had to pay \$8 per day and expenses to 5,000 people to listen to the Secretary speak has not been explained.

It is clear that the cost of the meeting must have been somewhere between \$50,000 and \$100,000.

It is not clear where the money was to come from. The only logical conclusion is that it would be taken from the funds allocated to the State of Minnesota for soil-improvement work.

It is perfectly clear that \$50,000 to \$100,000 spent in paying travel expenses and per diem for an audience to hear Secretary Brannan cannot be used for lime or superphosphate or terracing or forestry work or other soil-conservation practices in the State of Minnesota.

However, Mr. President, it would be easier to condone—to a certain extent at least—the cost of paying listeners a per diem and expenses to hear the Secretary speak if he had discussed the matter for which the annual meeting of the county committeemen was called.

Let us see what the subject of his speech really was.

I quote from the St. Paul Pioneer Press of Wednesday, April 5, 1950.

The heading of the story reads "Brannan opens farm drive here; HUMPHREY aids." The story is written by Alfred D. Stedman, agricultural writer of the Pioneer Press.

Mr. Stedman goes on to say:

Before a record-breaking crowd of 8,000 farmers in St. Paul Auditorium, the Truman administration's campaign for the Brannan farm plan was opened Tuesday afternoon and headed straight for the national elections of 1950 and 1952.

Battling shoulder to shoulder for the plan of free farm prices and production payments to maintain farm income were Secretary of Agriculture Charles F. Brannan, daddy of the plan, and United States Senator HUBERT H. HUMPHREY, of Minnesota, its all-out supporter. Senator EDWARD J. THYE could not come and sent his greetings to the crowd.

First Brannan and then HUMPHREY assailed the present law's system, particularly as applied to perishable products like potatoes, eggs, meat, and milk, of backing up

farm prices with a system of flexible supports that are made effective through Government buying. Both also assailed President Allan B. Kline of the American Farm Bureau Federation, as defender of the present system. The flexible system is so named because as supplies pile up, price support levels are lowered.

Referring to the existing law as the Hope-Aiken plan, after its Republican authors Representative HOPE and Senator AIKEN, Senator HUMPHREY drew shouts of laughter and applause by declaring that it has in it "little hope and a lot of achin'," and that "the trouble with the flexible price support system is that the guy who always gets flexed first is the producer."

Charles W. Stickney, State Chairman of the Production and Marketing Administration, presided at the climax of the meeting in St. Paul of county and community farmer committeemen administering the farm price and agricultural conservation programs in Minnesota.

Mr. President, I have no objection to the Junior Senator from Minnesota ridiculing my work in the Congress. I object strenuously to his misstating the facts to his own farmers. If the junior Senator from Minnesota knew agricultural legislation, he would know that the present law which he is condemning is not the Hope-Aiken law, but a law enacted by a Congress with an overwhelming Democratic majority and a law for which he would have voted, according to the tabulation in the Record, if he had been present and voting.

If he knew agricultural legislation, he would know that the President of the United States on last October 31 by a stroke of his pen repealed that provision of the law which the Secretary of Agriculture, the junior Senator from Minnesota, and the President of the United States now all say is essential to the welfare of this country and the prosperity of our farms, namely, the provision for compensatory payments.

If the junior Senator from Minnesota knew agricultural legislation, he would know that when the provision for compensatory payments was repealed by the Eighty-first Democratic Congress there was not one word of protest from the Secretary of Agriculture, the President of the United States, the junior Senator from Minnesota, or anyone else. The administration was plainly most interested in repealing any provision of law with a Republican name on it whether beneficial to the farmers or not.

If compensatory payments are good for the consumer and the farmer now, the junior Senator from Minnesota should know that they were equally good last October when he favored the repeal of provision of law which permitted them to be used.

I have searched diligently through the transcript of the full speech made by Secretary Brannan at St. Paul and can find nowhere that he makes any reference to the subject matter for which the conference of county committeemen was called, namely, the formulating and administration of agricultural programs as authorized by law.

About two-thirds of his speech was devoted to promoting the so-called Brannan plan and the rest of it to condemna-

tion of Allan Kline and the American Farm Bureau.

The speeches of both the Secretary and the junior Senator from Minnesota were political from start to finish, and money appropriated to the Department of Agriculture for soil-conservation programs cannot be legally spent in hiring audiences for political purposes.

Every dollar spent in playing politics means \$1 less for improving the soil of American farms.

I know of no authority which permits the Comptroller General to approve the expenditure of PMA funds for the purpose of which they were used at St. Paul.

If the practice which was applied in Minnesota of spending public money to pay the expenses and per diem of farmers to listen to political speeches is followed in the other States the expense can be many millions of dollars all of which must come out of appropriations which Congress made for legitimate farm programs.

When I see attempts made with the use of Federal funds appropriated for other purposes to discredit the acts of Congress, then I wonder how long we will tolerate an attitude which regards the work of a legislative body elected by the people as a detriment to good administration.

Mr. AIKEN subsequently said: Mr. President, I ask unanimous consent to have inserted in the Record at the conclusion of my remarks the complete story of the St. Paul meeting, as published in the St. Paul Pioneer Press of Wednesday, April 5.

There being no objection, the article was ordered to be printed in the Record as follows:

BRANNAN OPENS FARM DRIVE HERE; HUMPHREY Aids

(By Alfred D. Stedman)

Before a record-breaking crowd of 8,000 farmers in St. Paul Auditorium, the Truman administration's campaign for the Brannan farm plan was opened Tuesday afternoon and headed straight for the national elections of 1950 and 1952.

Battling shoulder to shoulder for the plan of free farm prices and production payments to maintain farm income were Secretary of Agriculture Charles F. Brannan, daddy of the plan, and United States Senator HUBERT H. HUMPHREY, of Minnesota, its all-out supporter. Senator EDWARD J. THYE could not come and sent him greetings to the crowd.

First Brannan and then HUMPHREY assailed the present law's system, particularly as applied to perishable products like potatoes, eggs, meat, and milk, of backing up farm prices with a system of flexible supports that are made effective through Government buying. Both also assailed President Allan B. Kline, of the American Farm Bureau Federation, as defender of the present system. The flexible system is so named because as supplies pile up, price-support levels are lowered.

Referring to the existing law as the "Hope-Aiken" plan after its Republican authors, Representative HOPE and Senator AIKEN, Senator HUMPHREY drew shouts of laughter and applause by declaring that it has in it "little hope and a lot of achin'," and that "the trouble with the flexible price-support system is that the guy who always gets flexed first is the producer."

Charles W. Stickney, State chairman of the Production and Marketing Administration, presided at the climax of the meeting in St. Paul of county and community farmer committeemen administering the farm price and agricultural conservation programs in Minnesota.

For 2 hours, the crowd listened with vocal approval to the two addresses—the first in effect Secretary Brannan's answer to President Kline's attack on his plan at the Minneapolis Farm Forum a month ago, and the second an amplification of that answer.

Both Brannan and HUMPHREY urged the rank and file of all farm organizations including the Farm Bureau to turn against the position of the Bureau's national leadership as represented by Mr. Kline, and get together in framing a new farm act, substantially as proposed Monday by President Truman in his special message to Congress.

In his written text though not in the spoken version, Secretary Brannan accused the Farm Bureau leadership of seeming to "talk out of two different sides of its mouth depending on who is listening" in expressing concern for low income farm people while urging a slash in Farmers Home Administration funds used to help them.

On the positive side, Secretary Brannan argued for his plan that—

1. It would protect farm income and help head off a disastrous depression.
2. That it would extend supports to the livestock industries including beef cattle, dairy and poultry products and hogs representing more than half of agriculture's cash returns.
3. That it would stimulate consumption of these products by allowing prices to go free in the markets.
4. That it would thus encourage the feeding up of grain surpluses.
5. That it would discourage corporation farming by denying subsidies to the 2 percent of farms that are huge.
6. That it would encourage soil conservation by denying payments to those farmers refusing to safeguard their soil.
7. That it would solve as nearly as they can be solved the present potato and egg situations.

On the negative side, Brannan answered Kline at several but not all points. As to regimentation, he declared his plan would involve less interference with the markets, with business or farmers than the present one. As to costs, he said, these would be less under the Brannan plan, and he dismissed as absurd the \$18,000,000,000 and \$19,000,000,000 estimates he said people have "trumped up."

But he didn't answer the Kline argument that agriculture can't afford to risk dependence for income on annual appropriations by Congress to finance payments. Further, none of the speakers explained why, if the system of flexible price supports is so wrong as they say, the Government itself has chosen to use the system to get itself and farmers out of difficulties by flexing price supports downward for flax, potatoes, dairy products, and other commodities. So the farm plan skinning operation once more fell just a bit short of its goal here Tuesday, as it did a month ago when undertaken in reverse at the Minneapolis Farm Forum.

Attacks in newspapers on farm subsidies came in for special ribbing by Senator HUMPHREY, who declared that the second-class mailing subsidies of newspapers and magazines coming to \$200,000,000 last year exceeded the costs of the potato plan.

Also HUMPHREY heaped scorn on spokesmen for American corporations who see the country going to the dogs, to bankruptcy, or to socialism through deficit spending, high taxes, regimentation, and subsidies for farmers. In 8 years prior to 1949, American corporations total of net incomes after taxes was \$118,000,000,000, HUMPHREY said.

County farm committeemen spent Monday working on the new agricultural conservation program. Community committeemen came in for the meeting Tuesday. Many drove to St. Paul, several often pooling the use of one car, and others came by bus or train. There were some grumbling reports to the Pioneer Press that mileage for travel and up to 2 days' per diem allowances were paid to committeemen. But the answer given in their behalf was that they have spent a great deal of time and effort working on these farm programs without any compensation, so the moderate allowances to attend the one meeting of the year in St. Paul were thought justified.

"Do you want another meeting next year?" Chairman Stickney asked a moment before adjournment. A great chorus of assent was the answer.

Mr. AIKEN. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled, "Political Propaganda for Captive Audience," from the Minneapolis Star of Thursday, April 6; also an editorial entitled, "PMA: Aid to Farmers or Political Weapon?," from the Minneapolis Star of April 7; and also an article entitled, "PMA Parley 'Political Meeting,' Farmer Says," from the Mankato Free Press of April 6.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star of April 6, 1950]

#### POLITICAL PROPAGANDA FOR CAPTIVE AUDIENCE

Tuesday morning in the St. Paul auditorium, Frank K. Woolley, deputy administrator of the production and marketing administration (PMA), gave farmers some of the facts of life about price supports. He said that if any program is to succeed, production must be held to consumption.

He made the rather surprising statement that farm product surpluses are not alarming, but in general his talk was a matter-of-fact presentation of problems involved in administering the agricultural laws. His audience was made up largely of county and township PMA committeemen who were paid \$8 a day and mileage to attend the meeting. They were fairly attentive, though a goodly number walked out before Woolley quit talking.

In the afternoon a couple of spellbinders took over. Nobody left while they were talking. Agriculture Secretary Brannan and Senator HUMPHREY—particularly the latter—had six or seven thousand farmers sitting on the edges of their seats, seemingly mesmerized by the oratorical flood. HUMPHREY seldom has been in better form.

HUMPHREY and Brannan said in effect: "Here are the facts; now go home and make up your own minds about the Brannan plan." But they were trying very hard, with all the oratorical and political tricks known, to make up the farmers' minds for them.

They issued no warnings about production control. They were saddened by the drop in farm income. General Motors and the newspapers don't sell their products at 60 percent of parity, HUMPHREY noted. In a flexible price system, he said, the only people to get flexed are the farmers.

It's a smart platform trick to tell listeners from any group how badly off they are, how discriminated against. Farmers, businessmen, teachers, doctors—they all seem to like that line. HUMPHREY gave the PMA crowd both barrels. But he neglected to give a full account of the farm problem, if he knows what that is—which now appears doubtful.

Sure, farm income is down. In the war and immediate postwar period the United States had to supply great amounts of food to allies and friends abroad. Now European

farmers are back into production. France has a surplus of food. Dollars are scarce in foreign lands and the export market—except for ECA donations—is almost nonexistent.

When an automobile manufacturer or a newspaper publisher has produced enough of his product to satisfy the market, he necessarily holds his output to that demand. The Government does not guarantee to take the surplus at a support price.

For the present, farm production is greater than demand. Even if prices were to stay at the high point of the past decade, total farm income would be bound to decline because the volume is less.

As American population increases and if world trade is made freer, the situation is likely to improve. In the meantime, farmers should make operations as efficient and economical as possible, to help compensate for the loss in total income. That is what an auto manufacturer does.

Brannan and HUMPHREY intimated to the farmers that the Brannan plan would solve all their problems. That plan is one of several proposals to keep farm income from dropping too far. The Nation seems to have accepted the proposition that agriculture, because it is so fundamental to the existence of all the people and because farmers are subject to weather and market conditions beyond their control, is entitled to some sort of guaranty against too extreme price fluctuations.

The Brannan plan would make those guaranties high. That would mean large appropriations to keep the program going. And any time Congress decided against the appropriations—taxpayer pressure might be asserted—the supports would falter. That's a pretty precarious basis upon which to build a permanent plan for agriculture.

To keep any high support plan within bounds at all requires rigid controls to hold down production. But that's an unpleasant subject which Brannan and HUMPHREY glossed over in their pep talks.

The meeting of PMA county and township committeemen was supposedly called to acquaint those farmers with procedure for applying crop controls and soil conservation payments. It wound up with the strongest dose of political medicine handed out in these parts in a long, long time.

[From the Minneapolis Star of April 7, 1950]

#### PMA: AID TO FARMERS OR POLITICAL WEAPON?

PMA is the abbreviation for "Production and Marketing Administration," a division of the Department of Agriculture. It was created in 1945 to take over the functions of several earlier agencies: Surplus Commodities Corporation, Office of Basic Commodities, Agricultural Adjustment Agency (AAA), etc. It assumed direction of the Commodity Credit Corporation and the Federal Crop Insurance Corporation.

Every State has a PMA office, every county has a PMA committee, and nearly every township also has one. In some cases two or more townships join in a community committee. Minnesota has 269 county committeemen, 4,200 township committee members.

A township (or community) meeting elects three local committeemen and three delegates to a county meeting (they may be the same three), which in turn elects three county committeemen.

These members, both county and township, check up on soil conservation practices for which farmers receive Federal benefits, inform farmers about Government programs, supervise crop insurance, measure stored grain, and do a lot of other official chores.

Committeemen are paid \$8 a day and mileage. Most township members are paid for only half a dozen days a year. County committeemen may be paid for 50 or more days.

They were paid with Government funds to attend the St. Paul meeting this week to



hear the agricultural program explained and to listen to political pep talks for the Brannan plan by Senator HUMPHREY and Secretary Brannan.

PMA committees carry on much the same work as the old triple A committee. AAA was set up in the early 1930's to assist farmers in various ways. At first the program of payments was virtually self-supporting, with processing taxes on farm commodities paying the costs. In 1936 the Supreme Court threw out the processing taxes.

Then a plan was devised to pay farmers for so-called soil-conservation practices. Payments have been made for spreading fertilizer, raising legumes, planting trees, turning under green crops, etc.

Many of these practices have helped build up the land. In the majority of cases, probably, they would have been followed by the farmers without payment. Yet sometimes they have been applied chiefly to get the Government payment and with no relation to a unified soil-conservation plan. Such benefits should be paid upon the approval and through the Soil Conservation Service.

PMA—and AAA before it—has been advertised as democracy at the grassroots. There is some justification for the claim when the committeemen participate simply as farmers—and many of them do that. But sometimes individuals become mainly interested in keeping their committee jobs. Then PMA becomes bureaucracy at the grass roots.

Minnesota has just seen how PMA can become a potent political pressure set-up. Committeemen were brought into St. Paul at public expense and subjected to the salesmanship of Democratic Party leaders. Because it has grassroots access, PMA can become one of the most powerful of political arms.

Country Gentleman magazine reported that 590 man-days of work were required to check performance, figure up results and pay out an average of \$35.01 to DeKalb County, Ill., farmers who cooperated with PMA. That county has 178 part- and full-time Federal employees to provide services to the farmers. Minnesota is comparable.

No doubt PMA has rendered many necessary services to the farmers. Most of the committeemen are conscientious public servants. But it is time to reexamine the multiplicity of bureaus under the Department of Agriculture and get away from inefficiencies such as no self-respecting farmer would allow on his own place.

[From the Mankato Free Press of April 6, 1950]

#### PMA PARLEY "POLITICAL MEETING," FARMER SAYS

The recent State conference of production marketing administration committeemen in St. Paul was "nothing more than a political meeting paid for by American taxpayers' money," Roy Schulz, Mankato Township farmer who was asked to resign as a committeeman when he became Blue Earth County Republican chairman, charged today.

Pointing out that "I'm not against the farm program but I am against using public funds for political rallies," Schulz estimated that the meeting cost "no less than \$75,000, paid for by the taxpayers." Referring to a letter sent to committeemen by Charles W. Stickney, chairman of the Minnesota PMA committee, Schulz said that those attending the meeting received a committeeman's regular day's pay—which is \$8—plus travel expenses. He said approximately 6,000 men attended the meeting and at a probable average of \$10 in pay and expenses, they received a total of at least \$60,000. He estimated that expenses for Secretary of Agriculture Charles F. Brannan, who addressed the group, and his party of seven added \$15,000 to the total.

Both Brannan and Senator HUBERT H. HUMPHREY spoke at the meeting. Schulz attended when, he said, he received an invi-

tation from Stickney, "who apparently didn't know I no longer am a committeeman," Schulz said he paid his own expenses.

"Brannan said it was one of several such meetings held throughout the country," the young farmer declared. "If that is true, I wonder if the money spent for all these conferences wouldn't help to add to the hog-support funds that Brannan says are so short he can't continue the price-support program. During the time I was connected with PMA, I found that it takes 50 to 60 cents out of every dollar used in that program to pay administrative costs. Since most farmers already had signed up under the 1950 support program, a meeting of committeemen at this time was not necessary." Schulz said he thinks it is peculiar that PMA committeemen meetings, held every 2 years, always come in election years. Speakers at the meetings frequently refer to "they" when discussing criticism of the farm program, but never say who "they" are, Schulz declared. He added that it is "apparent 'they' are Republicans."

"Mr. HUMPHREY told us that 'you farmers are minute men,'" Schulz reported. "I think he should have said precinct workers."

Schulz said he was elected a PMA committeeman last November, but, when he was named county Republican chairman, he reported that the county PMA committee told him he couldn't hold a political office and remain a committeeman. "I also was told," he said, "that I better keep still about it. I wanted a letter from the State committee acknowledging my quitting but I didn't get it."

Mr. FERGUSON. Mr. President, I am glad the distinguished Senator from Vermont raised the point he has raised on the floor of the Senate today, because the question continually arises here: "What is political?" There is on the books a Federal statute respecting attempts to influence legislation by persons on the public pay roll, and I want to say a few words about that statute.

The instance presented here this afternoon by the Senator from Vermont is another in the long list of examples of attempts by Government employees to influence legislation.

From time to time, committees of Congress have investigated and exposed private lobbyists who have attempted to influence legislation. The President of the United States, and many high Government officers, have severely denounced the activities of private lobbyists.

Yet, whenever it is suggested that Government officials themselves may be engaged in influencing legislation, the suggestion is pooh poohed and ignored by Government officers sworn to prevent such misuse of the public money.

Section 201 of title 18 of the United States Code is specifically designed to prevent attempts to influence legislation by persons on the public pay roll. I desire to read it into the RECORD at this time:

No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly—

I repeat the words "directly or indirectly"—

to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appro-

priation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

Time and again Congress has turned up instances, just like this one, of violation of this section of the law by Government employees. There were violations by employees in the Post Office Department, the Reclamation Bureau, the Office of Education, the United States Public Health Service, the Social Security Administration, and even the War Department, in regard to the proposal for universal military training. Most of those specific cases, with the names, dates, and circumstances, were reported in official committee reports and were certified to the Attorney General; but so far as I know, no action ever was taken upon them under this section of the law.

It is a sorry display, I say, for the President and other Government officials to deounce private lobbyists who seek to influence legislation, while other Government officials freely use the public money and Government employees to go up and down the country making propaganda for or against proposed legislation.

Judging from its hypocritical action in the past, it would seem that this administration is not going to do anything about the case presented by the Senator from Vermont, any more than will the President spare us from his coming non-political tour to test the political appeal of legislative issues for the coming election. Mr. President, this administration plays politics with the public money and with the public business every waking hour of the day, even in violation of the plain language of the law.

Mr. President, how much Government money can be spent for these political meetings? How much Government money can be spent to bring crowds to hear the Secretary of Agriculture try to put through the Congress the Brannan plan? Not only did Mr. Brannan, a Cabinet officer, attend this political meeting and have paid hearers, but, in addition, Frank W. Wooley, Deputy Production and Marketing Administrator; also the Director of the Grain Branch, Leroy K. Smith; and also the Branch Director of the Agricultural Conservation programs A. V. McCormack, went there. All those gentlemen went from Washington on the taxpayers' money to attend that meeting.

I wish to speak about the amount of money that is appropriated for this purpose. The distinguished Senator from Vermont has not been able to tell us the amount of money. I called Mr. Trigg, who has charge of this matter, and who usually appears before the Appropriations Committee; and I asked him the cost of this. He said, "I cannot tell the cost. I have called Minnesota, and they will let me know at the end of the month what it will cost for this hearing."

In the letter these people were told they would be paid \$8 a day and 5 cents a mile for transportation. The House hearings on the agricultural appropriation bill give, at page 1451, an estimate that the county committeemen work an average of 77 days a year, and they are presently paid compensation at the rate of \$7.20 a day, which in 1951 is proposed

to be raised, under the estimate, to \$7.82 a day. If Members of the Senate are interested in this matter, they can see a table on page 1465 of the House hearings.

In addition to this daily pay, travel within their State is paid, under the Travel Expense Act of 1949, in an amount not to exceed \$7 actually or an allowance of \$9 a day in lieu of subsistence. So, Mr. President, not only will they get the \$8 a day, but they can receive up to \$9 a day in lieu of subsistence. They can also receive, for actual transportation, 7 cents a mile if they use privately owned automobiles; or they can receive the actual cost of transportation if they travel in common carriers.

The budget estimates request an increase of \$1,430,000 for 1951. Of course I realize this is a political year. If they are going to be paid at the rate of \$16 for a hearing, plus the cost of transportation to get the hearers for the Democratic Party, that will use the \$1,430,000 for 1951, which is the increase which now is being asked from Congress.

For this entire matter, \$285,000,000 is requested for the administration, out of which will come this cost. For this year the House committee has voted to reduce that amount to \$22,882,282.

Mr. President, this is only a congressional election year, a year when the Members of the House of Representatives and one-third of the Members of the Senate will be elected or reelected. However, it appears that this will be a method of obtaining listeners for those who would put over on the public the Brannan plan; and now request is made for \$1,430,000 of the taxpayers' money with which to do it.

Again I ask, What is political? If the letter does not indicate that this is political, if what the distinguished Senator from Vermont has said about the speech by Mr. Brannan does not indicate an attempt to put the Brannan plan through the Congress, I ask, What is political?

Mr. President, this activity is a clear violation of the law. The Attorney General should take prompt action, regardless of whether the person involved is a fellow Cabinet officer or whether it be the Deputy PMA Administrator, Frank W. Wooley; or the Director of the Grain Branch, Leroy K. Smith; or the Agricultural Conservation Programs Branch Manager A. V. McCormack. Regardless of who is involved, the Attorney General should take the same cognizance of any violation of the law by high-ranking officials or by other officials who have used this money for political purposes, as he would of such a violation of the law by John Doe or Richard Roe. Certainly the person concerned makes no difference. In America we want equal justice under law. This law has been enacted in order that the taxpayers' money shall not be used for political purposes, to influence Members of Congress. A clear case of violation of that law has now been presented. We shall wait to see what action the Attorney General of the United States—who has taken an oath to enforce the law of the land, just as the President has done—will take in this case.

#### CONTROL OF COMMUNISTS IN THE UNITED STATES

Mr. HOLLAND obtained the floor.

Mr. FERGUSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. FERGUSON. I ask unanimous consent to have printed in the RECORD an editorial entitled "Curbing Our Own Reds," from the Washington Evening Star of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CURBING OUR OWN REDS

The main line of attack against the Mundt-Ferguson bill, designed to curb subversive activities in this country, is that the measure is carelessly drafted and the product of a current mood of hysteria. Nothing could be further from the truth. Whatever defects the bill may have, it is based on years of congressional study and has been written with extreme care to meet the constitutional attacks that are certain to be made if the measure becomes law.

This bill has been favorably reported from the Senate Judiciary Committee by a vote of 12 to 1. Senator Langer was the dissenter. Senator KEFAUVER voted to report the bill so the Senate might consider it, but said he had misgivings as to certain provisions and would vote against the bill in the end unless those provisions are changed.

The bill undertakes to do four things: (1) To make unlawful a conspiracy "to perform any act which would substantially contribute" to the establishment within the United States of a totalitarian dictatorship under foreign control. (2) To require the Communist movement in the United States, in view of its foreign-directed character, to operate in the open rather than underground. (3) To cut the threads which bind the international Communist conspiracy together by restricting international travel of members of the American section of the world Communist movement. (4) To protect the integrity of our Government by denying Government employment to members of the American section of the world Communist movement and by protecting the security secrets of the United States against agents of a foreign government or the Communist movement.

This, in substance, is the Judiciary Committee's delineation of the purposes of the bill. The controversy has to do, not so much with the purposes but with the specific procedures by which the ends would be attained.

The most vociferous criticism has come, naturally enough, from the Communists, but this can be disregarded for their selfish interest is self-evident. There have been other critics, however, and some of them, at least, are unquestionably sincere. Their criticism falls into four general categories. They say that the proposed law is an unconstitutional abridgment of free speech, free press, and free assembly; that it seeks to establish guilt by association, though guilt should be a personal matter; that it defines crime in such vague terms that an offender would not know he was violating the law, and that its procedures violate due process of law.

These are points on which well-meaning men can and generally do differ when any such legislation as this is under consideration. In the Star's judgment, the criticism is not sound. The bill, of course, will be carefully debated in the Senate. If the language can be made clearer, if more safeguards can be devised without vitiating the bill, that should and undoubtedly will be done. But it should be kept in mind that the lines on these issues are firmly drawn. What most of the critics really object to is

not the form of this particular bill. They will oppose any measure designed to achieve the same objectives and containing the necessary teeth. So the essential questions are whether the Communist conspiracy is real enough to justify the enactment of such a measure, and whether the Constitution will permit its enforcement if enacted.

The reality of the conspiracy is attested by the fact that we are spending more than \$20,000,000,000 a year to defend ourselves against the Communists and to check their encroachments abroad. In that setting, it would be an absurdity not to do all that can be done to curb the Communists and their sympathizers in this country. Will the Constitution permit this? If not, then it follows that that document denies to Congress the power to adopt laws to protect the Nation against those who would use our constitutional liberties to destroy us. It is hard to believe that this is the case.

It seems to the Star that Congress should make all possible improvements in the bill, and then pass it. After that, it can be tested in the courts. But it should not be permitted to die simply because some people think it is unconstitutional and because some others pretend to think so.

Mr. FERGUSON. Mr. President, I wish to read a portion of the article, which deals with communism.

The reality of the conspiracy is attested by the fact that we are spending more than \$20,000,000,000 a year to defend ourselves against the Communists and to check their encroachments abroad. In that setting, it would be an absurdity not to do all that can be done to curb the Communists and their sympathizers in this country. Will the Constitution permit this? If not, then it follows that that document denies to Congress the power to adopt laws to protect the Nation against those who would use our constitutional liberties to destroy us. It is hard to believe that this is the case.

Mr. President, that is not the case. The Constitution of the United States permits the Congress to defend the people of the United States and the institutions of the United States. When we realize that communism is an international conspiracy, when we realize that we are spending billions of dollars for national defense and to check the encroachments of Communists abroad, then we in the Senate should at least take the time to pass a law which will curb the Reds in the United States. I hope this editorial will bring to the attention of all Senators the real necessity for bringing to this floor Senate bill 2311, the bill now on the calendar, to protect the United States against certain un-American and subversive activities, and for other purposes, so that the Senate may vote upon it.

PETER MICHAEL EL-HINI

Mr. WHERRY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. WHERRY. Mr. President, I should like to have the floor in my own right, if the Senator from Florida [Mr. HOLLAND] is about to move a recess.

Mr. HOLLAND. For what purpose?

Mr. WHERRY. I desire to renew the unanimous-consent request I made at the beginning of the session today, that the Senate proceed to the consideration of the bill (H. R. 6656) for the relief of Peter Michael El-Hini. I do so in behalf of the senior Senator from Minnesota [Mr.



THEY], who is very anxious to have the bill passed. It has to do with the relief of Peter Michael El-Hini, who is the son of an American Government employee and a woman whom he married in Europe 2 years ago. The parents are unable to bring the child into the United States unless he can be advanced in the quota. They hope to leave on April 16. I took the matter up with the majority leader. I want to say for the benefit of the acting majority leader that the bill was passed by the House. It went to the Senate Judiciary Committee, which reported it unanimously. It is on the calendar, and it is merely a question of whether the Senate cares to consider it now, or later when the calendar is called.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HOLLAND. I have no objection. I yield the floor.

There being no objection, the bill (H. R. 6656) for the relief of Peter Michael El-Hini was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY. I thank the distinguished acting majority leader for the opportunity of bringing up this bill at this time.

#### EXECUTIVE SESSION

Mr. HOLLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees. (For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the calendar.

#### COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of John O'Keefe, of Pembina, N. Dak., to be collector of customs for customs collection district No. 34.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

#### HAWAII

The legislative clerk read the nomination of Hon. Edward A. Towse, of Hawaii, to be associate justice of the Supreme Court.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

#### UNITED STATES ATTORNEYS

The legislative clerk read the nomination of John D. Hill, of Alabama, to be United States attorney for the northern district of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John H. Manning, of North Caro-

lina, to be United States attorney for the eastern district of North Carolina.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

#### UNITED STATES MARSHAL

The legislative clerk read the nomination of Robert Grant, of Illinois, to be United States marshal for the southern district of Illinois.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. HOLLAND. Mr. President, I ask that the President be notified immediately of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### RECESS

Mr. HOLLAND. As in legislative session, I move that the Senate recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 12, 1950, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate April 11 (legislative day of March 29), 1950:

##### DIPLOMATIC AND FOREIGN SERVICE

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

George D. LaMont, of New York.  
Donald W. Smith, of the District of Columbia.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America.

Richard M. de Lambert, of New Mexico.  
Patrick Mallon, of Ohio.  
Evan M. Wilson, of Pennsylvania.  
Bruce R. Crooks, of New Jersey, now a Foreign Service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John G. Hrones, of Massachusetts.  
George H. Zentz, of Minnesota.

The following-named Foreign Service reserve officers to be vice consuls of the United States of America:

Miss Jane Ellis, of New York.  
Gordon P. Hagberg, of California.  
Lewis Rex Miller, of California, a Foreign Service reserve officer, to be a secretary in the diplomatic service of the United States of America.

##### UNITED STATES MARSHAL

Daniel N. McEniry, of Iowa, to be United States marshal for the southern district of Iowa, vice James J. Gillespie, term expired.

##### UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be surgeon (equivalent to the Army rank of major), effective date of acceptance:

Josef J. Weisskopf

To be senior assistant surgeon (equivalent to the Army rank of captain), effective date of acceptance:

Wayne S. DeWald

To be sanitary engineer (equivalent to the Army rank of major), effective date of acceptance:

Sylvan C. Martin

To be junior assistant sanitary engineers (equivalent to the Army rank of second lieutenant), effective date of acceptance:

Roy O. McCaldin  
Charles V. Wright, Jr.  
Walter L. Dunn

To be senior assistant sanitarians (equivalent to the Army rank of captain), effective date of acceptance:

Loyal C. Peckham  
Joseph F. O'Brien

To be nurse officer (equivalent to the Army rank of major), effective date of acceptance:

Lols E. Gordner

Surgeons to be senior surgeons (equivalent to the Army rank of lieutenant colonel):

Dorland J. Davis  
Robert L. Griffith

Assistant surgeons to be senior assistant surgeons (equivalent to the Army rank of captain):

Merlan E. DeBolt	John M. Bishop, Jr.
Victor E. Archer	Robert H. Aronstam
Jerrold E. Phelps	Lee A. Craig, Jr.
Charles J. Buhrow	James W. Osberg, Jr.
Ernest G. Hanowell	John A. Pierce
James K. Conn	Robert L. Brutsche
William H. Sage III	Robert D. Sullivan
Charles A. Jarvis	John C. Stirling
David Carson	Francis Chanatry
Ben Fisher	James E. Hawthorne
Ed G. Hopkins, Jr.	Norman Tarr
Julian J. Platt	James R. Lewis
Charles H. Lithgow	Carl F. T. Mattern
William E. Ganss	Clifford H. Cole

Senior assistant sanitary engineer to be sanitary engineer (equivalent to the Army rank of major), effective December 7, 1949:

Ray Raneri

Assistant sanitary engineers to be senior assistant sanitary engineers (equivalent to the Army rank of captain):

Ronald E. Bales  
Gerald N. McDermott

Assistant pharmacist to be senior assistant pharmacist (equivalent to the Army rank of captain):

Joseph J. Hackett

Scientists to be senior scientists (equivalent to the Army rank of lieutenant colonel):

John C. Eberhart  
Jerry W. Carter, Jr.

Assistant nurse officers to be senior assistant nurse officers (equivalent to the Army rank of captain):

Dorothy G. Young  
Albina A. Bozym

#### CONFIRMATIONS

Executive nominations confirmed by the Senate April 11 (legislative day of March 29), 1950:

##### COLLECTOR OF CUSTOMS

John O'Keefe to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak.

##### HAWAII

Hon. Edward A. Towse to be associate justice of the Supreme Court for the Territory of Hawaii.

##### UNITED STATES ATTORNEYS

John D. Hill to be United States attorney for the northern district of Alabama.

John H. Manning to be United States attorney for the eastern district of North Carolina.

##### UNITED STATES MARSHAL

Robert Grant to be United States marshal for the southern district of Illinois.